

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

WEDNESDAY, 10 NOVEMBER 1880

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LEGISLATIVE ASSEMBLY.

Wednesday, 10 November, 1880.

Petition.—Motion for Adjournment.—Mr. Hemmant's
Petition.—Report of Select Committee.The SPEAKER took the chair at half-past
3 o'clock.

PETITION.

The Hon. J. M. THOMPSON presented a
petition from John Jones, of the Ebbw Colliery,
in relation to the Gulland Railway Bill.

Petition read and received.

MOTION FOR ADJOURNMENT.

Mr. REA was understood to move the ad-
journment of the House.An HONOURABLE MEMBER : You do that every
day.Mr. REA was understood to say that he had
to do it every day.Mr. O'SULLIVAN : How can the reporters
hear what the hon. member says? I cannot
hear him myself, when I am almost close to him
at the table, without straining half off my chair.Mr. REA (who could scarcely be heard in the
gallery) was understood to say that what he was
reported to have said on Monday night as to the
comparative expenditure on the Central and
Southern and Western Railway was the reverse
of what he said. The figures given then, re-
ferring to the Southern line and not to the
Central one. The way in which the debate
was pushed on was not fair to the Central dis-
tricts. For some hours the Committee discussed
the salary of one gentleman on the Southern
line, but the whole of the estimates of the Cen-
tral line were rushed through in five minutes,
while members were looking at the clock and
anxious to get away to catch the last train. The
Estimates came on only once a-year, and it was
not fair that they should be hurried through.The Hon. J. DOUGLAS said he would take
the opportunity to draw attention to something
which was said on Monday night after he had
left the House, in connection with some maps
and plans of the contemplated transcontinental
railway. Before he left he had called the atten-
tion of his hon. friend, the member for North
Brisbane, to the fact that in a South Australian
newspaper it was said that such plans had been
circulated; and, lest there should be any doubt
about the matter, he would now read to the
House the quotation to which he referred, and
which appeared in the *South Australian Register*
of Friday, October 29. The quotation was as
follows :—“The Hon. R. A. Tarlton said he wished to call the
attention of the Chief Secretary to a matter he con-
sidered of the greatest public importance, with the hope
that he would use the leisure he might have in recess—
(Hear, hear)—in gathering such information as would
enable the House to come to a right decision in the
matter. He referred to a transcontinental line of rail-
way for Australia. It seemed to him that we were not
awake on this subject. The Queensland Government
had most complete maps on the question, which they
were circulating in Europe and Australia, and the con-
sequence was that an intelligent man could get an idea

at once as to what was the present intention of the Government with regard to their transcontinental railway. Our own Surveyor-General's opinion was that the easiest gradient through our own country was to the east of Lake Eyre. The only objection to that was that it would not go through the centre of our colony. The Queensland idea at present was to connect Roma with Point Parker, on the southern part of the Gulf of Carpentaria. They had an advantage over us in running through pastoral country of high quality, and consequently they could get wealthy persons to construct the line at proper concessions. Unfortunately for South Australia, when the desirability of getting the line was before Parliament, the majority of the members were not sufficiently alive to the immense advantages it would have brought; and now we had probably lost our chance for ever. He thought the Chief Secretary would place the Government under a debt of gratitude if by energetic action during recess he was able to adopt such a course as would enable South Australia to retrieve her lost ground. He had no doubt, if we were not wise enough and energetic enough to do it, it would be done by others."

The Chief Secretary, Mr. Morgan, in referring to this, said—

"As to the transcontinental line, he had long been convinced that the only way in which the railway would ever be constructed in their time would be by concessions of grants of land to the persons who undertook the construction of the line. (Hear, hear.) An exchange of land that was at present valueless for a useful railway would be a very profitable transaction. (Hear, hear.) The matter would not be lost sight of by the Government."

He merely quoted this to show that there was substantial ground for the statement made by his hon. friend. He (Mr. Douglas) understood it had been said in reply that no plans had been made, and that if there were any in existence they must have been those which were elaborated by the *Queenslander* newspaper. Mr. Tarlton, of South Australia, appeared, therefore, to have been misinformed upon the matter; but the quotation he had just read proved that South Australia was quite alive to the possible advantages of a line to be constructed by the medium of land grants, and the reference to a route to the eastward of Lake Eyre certainly suggested whether it was not possible that the Queensland project might be made to work with that of South Australia. At any rate it was evident that Mr. Morgan, the Chief Secretary, was willing to give his attention to the matter, and the Government might also, during the recess, consider whether the two colonies might not work together.

Question of adjournment put and negatived.

MR. HEMMANT'S PETITION—REPORT OF SELECT COMMITTEE.

Mr. ARCHER, in moving—

That the Report of the Select Committee on Mr. Hemmant's Petition, laid upon the table of the House on the 4th instant, be now adopted—

said that in asking the House to pass this motion it would not be necessary for him at the present time to occupy them at any great length. In fact, it would hardly have been necessary for him to have moved at all, but that the report which he now asked the House to adopt contained some recommendations for further prosecuting the inquiry that had been made, and it was necessary that the House should take them into consideration, because the committee had left the decision to the House itself. He might state, however, shortly, his own opinion on the matter. Of course, he would very willingly have been relieved of the responsibility of sitting on the committee, but having been appointed he had done so, and he did so with a determination to divest himself as far as possible of any partiality he might feel for anyone in the House. He did not pretend to say he was more impartial than anyone else; but, at all events, he determined to try and find out the real facts of the

matter from the evidence, and to embody the result in the report. That report contained as precise a history as he could give of the transactions and of the evidence laid before the committee; and he thought he might say, having himself drawn up the report, that he had come to no definite conclusions except on evidence which was incontrovertible; that was to say, the only person upon whom he had made any reflections or drawn any conclusions about from what was laid before the committee, was in the case of Mr. Hamilton, and he based his opinion of that witness entirely upon his own evidence. In a case where a person was his own accuser, as Mr. Hamilton was, anyone who wished to do so had a right to come to a conclusion. Upon all doubtful matter he had formed no conclusion, and it was left to the House now to decide what shape a future inquiry should take, if any. For his own part, the matter took a very simple shape indeed. It might not be pleasant to the country, but it was a very simple one; he believed the whole of the matter which had given rise to so much ill-feeling on both sides of the House resolved itself into a successful mercantile operation. That was the whole of the issue brought before the committee by the evidence. He noticed that the leader of the Opposition, in his protest against the report, spoke of the gentlemen that were supposed to have benefited by the transaction in steel rails as speculators. Of course all merchants were speculators, more or less; speculation meant buying in the cheapest and selling in the dearest market; and as far as the inquiry had gone, his (Mr. Archer's) opinion was that, in these transactions so much talked about, there had been nothing at all but buying rails when they were cheap, and selling them when the price was high. It was just the same as a person in Queensland buying stock when the rates were low and keeping them to sell again when the market improved. He (Mr. Archer) could see nothing else in the transaction. If everything had been as clear as that it would not have been necessary to recommend the House to take further steps. There were some things which had, however, been charged, but which were not proven, and which it was necessary should either be proved or disproved. One of those matters referred more especially to the conduct of the London office, and there was not the slightest doubt that grave charges had been brought against the working of that office; it was therefore recommended that further inquiry should be made into this matter. Another charge brought by Mr. Hamilton against the Premier was that of having attempted either to stifle inquiry, or to inquire into a matter which, as far as the evidence before them showed, it was almost an impossibility for the Premier to do. There was no evidence that the Premier knew anything at all about the invoices received from the Hæmatite Iron Company, or the different invoices of steel rails. Although this came, therefore, from a witness who had, as he believed, contradicted himself in several particulars, still the committee considered it necessary that there should be further inquiry into the fact to try whether it could be substantiated or utterly disproved. One or the other was necessary, and therefore the committee had recommended that further inquiry should be made in England. He did not intend to say at this moment anything more about the matter. Should it be necessary, and if anything in the debate should call for any remarks from him, he would have another opportunity of addressing the House. He would now simply beg to move the motion standing in his name.

Mr. GRIFFITH: Can you not suggest how a further inquiry shall be conducted?

Mr. ARCHER : No ; else I should have suggested it to the committee. That is a matter for the Government to settle.

The PREMIER (Mr. McIlwraith) said he did not mean to speak to the motion now before the House, but would ask indulgence to make a short Ministerial statement. This report had been brought under his attention for the last two days, and he noticed there were two recommendations in it. One was on page 11, where, under the head "Charges," a recommendation was made that—

"The House take such steps for further investigation as to it may seem fit."

And there was another recommendation on page 12, where the following occurred :—

"That, in the opinion of your Committee, there are many matters in connection with the inquiry, so far as the rails and freight contracts are concerned, which have not been satisfactorily explained ; and

They recommend your Honourable House to take such steps for further investigating these matters as may to it seem best."

He had no intention of taking this matter out of the hands of the House, but considered, when a recommendation of that sort was made by any committee, the Government ought to be prepared, if they could be, to let the House understand what position they, as leaders of the parliamentary business in the House, would take up. They had given the recommendation of the committee the fullest consideration. As to himself personally, he might say he had made up his mind months ago, before this committee had sat a fortnight—a couple of days after the first evidence was taken—that a commissioner should be sent to England for the purpose of investigating the charges then made. He resolved upon this after Mr. Hamilton had been examined. It was perfectly plain that evidence must be got in England to meet these charges. He was therefore one with the committee in saying that the investigation ought to be prosecuted further, and he for one would be very much dissatisfied should the investigation remain where it was. The Government had to submit that after their consideration of the matter they thought a Royal commission should be issued to inquire into the whole of the matters connected with the Agent-General's Office in London, and that the commission should include one gentleman from this colony. That they considered necessary, because one of the commission should be a gentleman who understood the affairs of the colony, and it would be an additional advantage that he should understand the questions that had been before the colony for the last twelve months, especially connected with this business. The other commissioner, they thought, ought to be someone at home, and as the Government were not in a position to appoint such a gentleman from their own experience—and would rather decline that responsibility if they were—they thought it would be best to ask the Colonial Office to nominate some gentleman who, from his commercial and other experience, would be well qualified to take up the position ; and such a nomination would be admitted and the appointment made by this Government. The commission therefore would be in the hands of two gentlemen, one to be sent from this colony and one to be appointed on the recommendation of the Colonial Office at home. Should such an arrangement meet the wishes of the House, the Government would be prepared to intimate at the earliest moment the gentleman whom they proposed to send.

The HON. S. W. GRIFFITH said he was glad to hear from the Premier that the Government recognised the necessity for a full inquiry into the matter in England. For his own part,

he regretted, and had always regretted, that the investigation began in this colony, and was satisfied that it would have been far better if it had begun where it must be concluded. The evidence taken here, with little exception, had been of a hearsay character. They had been obliged to take the impressions of witnesses, recollections of what they were told by somebody else, and so on. It was quite impossible that such an investigation should be a satisfactory one ; and he was glad, therefore, to hear that it was now admitted that the matter must be inquired into in England. He concurred generally in the suggestion of the Government that a commission ought to be nominated partly by the Imperial Government and partly by the Government of this colony. He did not, as at present advised, concur in the suggestion that the commission should consist of only two persons. A commission of that kind, unless its members knew a good deal about the matter, would not be likely to elicit all the truth, and he was certain that this colony would never be satisfied until the whole truth in reference to those transactions was elicited. He did not know how the Government viewed the matter, but he supposed that Mr. Hemmant and others would be invited to call evidence before the commission. It would be impossible to deal definitely with the Premier's suggestion until it was formulated as a notice of motion. The recommendation of the committee was that such steps be taken as to the House seemed fit, and the motion of the hon. member (Mr. Archer), as he understood it, was that the Government should ask the House to agree to some mode in which that inquiry should be held ;—that could only be done by a motion requesting His Excellency to issue a Royal commission. When that was done it would be possible to discuss the details of the matter, the mode in which the commission should exercise its functions, and exactly what those functions were to be—whether simply to inquire, or to inquire and report—and so on. All he need say further on that matter at present was, that he thought the number would be insufficient, and that, if only one member went from this colony, a member of the Government, as such, was disqualified from being the commissioner.

Mr. LUMLEY HILL : They ought to send the leader of the Opposition.

Mr. GRIFFITH : They know better.

The COLONIAL SECRETARY (Mr. Palmer) : Thank God, they do.

Mr. GRIFFITH : They would be afraid of too much being found out.

The COLONIAL SECRETARY : They would be afraid of an unjust report.

Mr. GRIFFITH said he did not think a commission of that kind should be empowered to report, but simply to collect evidence. A Minister would not be qualified to form one of the commission, because it was impossible to dissociate the Ministry from any matter in which the head of the Ministry was concerned. They were all individually responsible, and it was absurd to suppose that any Minister could be an impartial judge with respect to the matters in which the head of the Ministry was involved. Until the intentions of the Government in the matter were definitely known he could not discuss it further, but he trusted that before long the Premier would submit a motion to the House specifying the precise manner in which the commission was to be appointed. The House would want to know that before the prorogation. The announcement made by the Government was altogether indefinite, and something more definite should be known before they could go further—what were the exact intentions of the

Government in the matter? He proposed now to call attention to some matters contained in the report, against some of the conclusions of which he and Mr. Dickson and Mr. McLean thought it right to enter a protest, such conclusions not seeming to them to be established by evidence of a satisfactory nature. He was sorry to hear the hon. member (Mr. Archer) intimate that his conclusion on the whole matter was that it was simply a mercantile transaction. He did not think the materials now before the House warranted the expression of any such opinion. It might turn out to be merely a mercantile transaction; but in using that term the hon. member appeared to him to have lost sight of the real nature of the transactions that were being investigated. The committee did not sit to investigate how much money McIlwraith, McEacharn and Company made out of the Government. The House did not care whether they made 5 per cent. or 500 per cent. on a legitimate transaction. The matters really involved were that the Government of this colony was induced unnecessarily to incur an enormous expenditure of money, that that transaction took place in an irregular manner during the presence of the Premier in England, and that it was for the advantage of his relatives. That was the gravamen of the charge with respect to the rails. With respect to freights, it was that a contract was made which involved the expenditure of a much larger sum of the colony's money for the purpose of doing certain work than had ever previously been incurred for the same work, that the persons who gained that advantage were the firm of McIlwraith, McEacharn and Company, one of whom was the Premier's relative, and who were the managers of a line of ships in which the Premier and the Colonial Secretary were shareholders. That was the gravamen of the second charge.

The PREMIER: That is not true.

Mr. GRIFFITH said that was the gravamen of the second charge, and it was impossible, from the evidence given, to come to the conclusion that it was merely a commercial transaction. If it did turn out that there had been nothing irregular, that no undue advantage had been given by anybody—the London office or anywhere else—to that particular firm, the sooner that was found out the better; but he was sorry the hon. member (Mr. Archer), who brought forward the report recommending further inquiry, should prejudice the matter in the way he had done. There were many matters in connection with the report which were not involved in the recommendation as to further inquiry, and to some of those he proposed to advert, because this would probably be the last occasion that it would be necessary or desirable that the House should have its intentions occupied with discussing them. The first was the statement with respect to Mr. Thomassen in the fourth paragraph of the report, that—

"At the time the agreement was signed, Mr. Thomassen had full power to bind his principals without referring to Messrs. Ibbotson, though he had left both the Secretary for Works and the Crown Solicitor under the impression that he did not possess such power."

That report did not seem to be borne out by the evidence on the subject to which he would direct the attention of the House; and then it would be seen that the only conclusion to which he and the hon. members for Enoggera and the Logan could come was that contained in paragraph 6 of their protest, namely—

"Mr. Thomassen appears to have represented to the Government until the conclusion of the negotiations that he had full power to bind his principals, and that he was prepared to enter into a definite contract, but at the last moment he produced as his authority a document which conferred upon him no power to make contracts. His want of authority, and the effect of enter-

ing into an agreement subject to ratification by Ibbotson Brothers, were pointed out to the Minister for Works by the Crown Solicitor; but the contract was entered into notwithstanding the caution."

For his own part, he had very great doubts as to whether Mr. Thomassen had any such power; at all events, he had failed to discover in the evidence any materials for arriving at that conclusion. He would read the only evidence that seemed to him to bear upon the subject. In Mr. Thomassen's tender of the 22nd September, 1879, it was stated in clause 9—

"The company will ratify in due form, in like manner as their previous rail contract with the Government, also the one now proposed, to which end the writer will communicate telegraphically with his board after Government's acceptance."

That appeared to show that Mr. Thomassen had no power to bind the company without their ratification, although it was referred to in the committee's report as evidence to show that he had authority. He would now call attention to some of the answers given by the Minister for Works to questions 107 and 108:—

"By Mr. Griffith: Was it brought to your notice at all before this contract was signed that it did not bind the contractors to anything? Yes.

"Who called your attention to it? Mr. Little, when asked to draw up the form of agreement, informed me; but I knew the fact myself before Mr. Little told me. The negotiations for the contract were carried out up to the very point of signing—I mean, between him and me, they were carried up to the point that we had settled everything; and I told the Crown Solicitor to draw up a form of agreement. Then Mr. Thomassen told me that he had not the power to bind his principals; that he required three months to send the contract home for ratification. I consulted with my colleagues, stated the fact that Mr. Thomassen was going home; and, as Mr. McIlwraith was going home, too, and one object of his going being to buy railway material if found necessary, we considered that Mr. McIlwraith would be in England about the same time that Ibbotson Brothers and Co. would be able to say whether they would ratify the contract or not: the non-effectiveness of the agreement with Mr. Thomassen did not much matter in that case."

Then questions 110 to 114—

"Did he not represent to you while negotiations were going on that he was in communication with the principal? Yes.

"In telegraphic communication? I suppose so.

"Did you understand so while negotiations were going on? No; I understood he was in telegraphic communication about the state of the market.

"I do not mean about his authority;—did you understand that he was in communication with them? I do not remember that he told me so. All I knew was this: he entered into a contract here on behalf of Ibbotson Brothers and Co. It never entered my mind, or into that of Mr. Herbert, that he had no authority.

"Did he produce any authority? No; he did not. Of course, we had the fact before us that he had made a contract before with the Government—that he had authority for it. He was regarded as a reliable responsible agent."

There was nothing there to show that he had authority. He would now turn to the examination of Mr. Robert Little, the Crown Solicitor, questions 2253 to 2259:—

"Do you remember how you discovered that Mr. Thomassen had no authority from his principals? Well, he produced a power-of-attorney, in the first instance; and after I told him that, in my opinion, it was not sufficient authority he referred me to Mr. Bunton, who, he led me to understand, had some further authority.

"After seeing Mr. Bunton, I found that he had none—at least no authority that I thought sufficient.

"Do you remember the agreement between Ibbotson, Brothers, and Co. and Mr. Thomassen, of the 18th December, 1878?—can you say whether that is the power-of-attorney that you refer to? I can only say that I have no independent recollection of the terms of the agreement; but whatever agreement he put forward I did not think sufficient authority, as a matter of course. He produced only one agreement between himself and his principals: whether this is the same or not I do not know. He represented himself to be a member of the firm.

"That must be the one that he produced? Yes; I take it to be the one.

"Did he produce any other authority than that? No; he did not. He referred me to Mr. Bunton at the time I challenged the agreement or the authority that he produced.

"And did Mr. Bunton produce any authority? No. Then did you inquire further whether he had any other authority? Certainly. He produced no further authority to me.

"Did he represent that he had any other authority? No. After he referred me to Mr. Bunton he did not. I think Mr. Bunton and he came together to see me afterwards."

There was no evidence there that Mr. Thomassen had the authority. The only other evidence on which the statement in the report could be founded was that of Mr. Thomassen himself, and was contained in his answers to questions 1376 to 1386, as follows:—

"Had you any more general authority, at the time you were negotiating with the Government last year, than that contained in the agreement of the 18th December, 1878? Yes; most decidedly.

"What additional authority had you? I had written authority from my company, and I had telegraphic authority; and, also, I had a written authority in which it was distinctly stated that I should receive telegraphic authority as equivalent to written authority.

"What had you authority to do?—had you authority to make contracts, or only to make offers? To make contracts.

"At your discretion? At my discretion.

"And so you represented?—You informed the Minister for Works of that, did you not; or represented to him that you had authority to make contracts? Most decidedly. And I showed the Honourable the Minister for Works letters to the banks accrediting me as authorised agent of Ibbotson Brothers and Co., Limited.

"When did this agreement of the 18th December, 1878, come to an end, if it has ever come to an end?—the agreement between yourself and Ibbotson Brothers and Company? It has been innovated in various ways; but there has been no distinct deed of cancellation drawn up.

"Are you now their agent, on the terms of that agreement, or not? No; I am not.

"Were you their agent on terms of that agreement when you were negotiating with the Government last year? In some measure I was, and in other respects I was not; because I had been appointed director, and my emoluments had been altered.

"Your authority had been increased? No; not as director, I had no power;—in fact, I had less power as director than as agent.

"Had your authority been increased when you were negotiating with the Government, last year, from the authority conferred upon you by the agreement of the 18th December, 1878? Yes; certainly. It had been the complement of the directors' instructions.

"To what extent was your authority increased? I should prefer to see the agreement to answer that question. I have examined that; but I have the original agreement. One way or another, almost every clause in the agreement had been altered—that is to say, increased, or my authority enhanced."

On that question he would only further call attention to question 1548—

"I observe that by telegram of the 3rd October you are told to—

"'Make delivery the whole of next year.'

"——? Yes; but there is also another word saying:—

"'Forward as much as possible.'

It means:—

"'Extend over as long a period as possible.'

I should like it to be on record that, apart from specific instructions contained in the telegrams that have been under discussion at this meeting, or by this Committee, I hold general authority from my board to do the best I can for their interests; and in many instances it behoves me, when I consider it requisite, to deviate from my instructions for the good of the company; and then it becomes a domestic matter between the board and myself. The company is bound by my doings."

There was no satisfactory evidence there that Mr. Thomassen had authority. But that was after all a minor matter. The next matter to which the dissentients called attention was the statement in paragraph 8 of the report that—

"During September and in the beginning of October, Mr. McEacharn was in telegraphic communication with

his firm in London, and between the 3rd and 14th of October his partner, Mr. Andrew McIlwraith, led to believe by defective telegrams from Brisbane that Mr. McEacharn had bound his firm, in conjunction with Ibbotson Brothers, to supply the Queensland Government with rails (the price of which was then steadily rising), contracted with the Barrow Hematite Company for 30,000, with the Moss Bay Company for 10,000, and with a firm on the Continent for 10,000, thus making in all 50,000 tons of steel rails, at a price of about £6 per ton."

This protest stated—

"We dissent from the definite statements in paragraph 7 of the report respecting the contracts made by Mr. Andrew McIlwraith. The precise nature of these contracts, which Mr. McEacharn described from his recollection of letters from his partner, which were not produced to the Committee, is not in our opinion established by satisfactory evidence."

He would now call attention to the evidence on that point contained in questions 837 and 838:—

"What did you do then? On the 26th September Mr. Thomassen informed me that his tender had been accepted; and I telegraphed to London on the same date:—

"'Ibbotson's tender is accepted. To be delivered here. We have secured freight room for 17,000 tons.' The code word was 'pounds'; but it was understood that it would mean 'tons' as well as pounds:—

"'1,700 tons, Brisbane, 30s.; 26,000, northern ports, 47s.'

"Did you receive any intimation in reply to that telegram? That was received in London on 26th September—on the same date; but it was received in this way, the code words not being correct:—

"'Ibbotson's tender is accepted. To be delivered here, or at——. We have secured freight room for 17,000 tons understood;—

"'Brisbane, 30s.'

A note is made of the word 'Tasmania':—

"'This reads, £26,000; but there must be a mutilation.'

The word 'nothing' is translated:—

"'The —— has been burnt to the water's edge,'"

When that telegram was sent, Ibbotson's tender had been accepted. Questions 840 to 843 were as followed:—

"By Mr. Macrossan: What happened after you made that agreement with Mr. Thomassen? Between 26th September and 29th, I was unable to get Mr. Thomassen to sign the agreement; he wishing the Government to give him, as I understood, the option of shipping the rails from the Continent, which would materially alter the conditions of my agreement with him; because my agreement was for shipment from the United Kingdom. I therefore telegraphed to London, seeing no chance of my concluding business with him, on the 29th September:—

"'Cannot arrange with Thomassen.'

And, wishing to be in a position to face anything, if the transaction fell through, and again to make a fresh tender;—after saying I could not arrange with Thomassen, I added:—

"'Can you make a firm offer of 43,000 tons, twelve months delivery; and at what price, f. o. b.? Please keep offer open for fourteen days.'

That is the original telegram.

Did you receive a reply to that? I received a reply dated 3rd October. I have not the original; but I have messages here—notes, from the Telegraph Department—showing that I had handed the message in for repetition. The telegram in reply offered me 30,000 tons of rails at 132s. 6d., for delivery over twelve months.

"By Mr. Griffith: Delivery where? Delivery in England. In all my telegrams I left them to quote the price of rails, and I was left to add on freight here. On the 4th, they telegraphed me,—

"'At your discretion we reduce offer made in our telegram of the third October;'

The word 'stainlid' is not my code word; it should have been 'squalid';—

'Eight shillings.'

I had that repeated; but it was not till the 13th that I could make anything out of it. Each time it was repeated incorrectly.

"By Mr. Macrossan: Did you make any offer to the Government on the strength of the telegram? The price was so much above that which Mr. Thomassen told me he could supply the rails at that I did not think it necessary to put in a tender for the rails at all."

Then the witness stated that he entered into an agreement with Mr. Thomassen. His evidence continued :—

“ Well, after that, what did you do? I telegraphed to London on the 10th October, referring to previous telegrams :—

“ Telegram arrived; will shortly reply by mail. Rails—Have arranged with Thomassen. Letters now in post for you.”

That arrived in London mutilated. It reached London, thus :—

“ Telegram arrived. Will reply by mail. Rails—Have arranged with Thomassen. Telegraph instructions.”

The last sentence, instead of ‘Letters now in post for you.’ My original telegram and the copy, as issued by the London office, and the translation, are produced. The latter part of my message refers to the ship ‘Girvan,’ which was in Brisbane at the time.

“ Did you receive any wire from the London office? I received a reply to it, dated London, 16th October, and received by me on the 18th October. It read :—

“ Please repeat telegram of 9th October to word ‘Girvan.’

You will see that my message is dated 10th October, so that the reference to my telegram of the 9th is a mistake. At the fact of the word ‘Girvan’ being in the telegram shows that reference was made to my message of the 10th instead of the 9th.

“ Did you reply to that? No; I did not reply to that. I left Brisbane about that time; and, in all probability, the message did not reach me until the end of the month. I do not think that I received that message in Brisbane. I think it was forwarded to me in Sydney.

“ In the meantime, did you receive any other wire from London? I received a telegram, I think, on the 31st October. It is dated London, 30th :—

“ Cannot obtain any information regarding rails from Ibbotson’s. What arrangements have you made?”

That is the original message and the translation.

“ Did you answer that? I answered that on 1st November, from Sydney. I replied,—

“ Await our letter of 10th October.”

Those were all the telegrams that passed until long after the date at which the report stated that the rails had been bought on account of defective telegrams; but he could see nothing in those telegrams to have induced anyone to buy 30,000 or 40,000 tons of rails. Then came the explanation :—

“ What did your firm understand the arrangement to be? They were unable to understand the arrangement at all. By a letter dated 31st October, they informed me that they had communicated with Ibbotsons, and that Ibbotsons were not aware what arrangement had been come to, and knew nothing about it, and my firm could only assume that it was a joint transaction with Ibbotsons. They wrote to me that—‘It is a most serious affair for us, if you have entered into an arrangement with Ibbotsons, as it is impossible to secure the quantity mentioned; but we have secured 30,000 tons, which may help us out; if you have not secured us, don’t show your face in London again.’”

It appeared afterwards that the letter was from a clerk in the employ of the firm—Mr. McEacharn’s brother. A subsequent answer was as followed—

“ By Mr. Macrossan: Is all that correspondence by wire and letter with Mr. Andrew McIlwraith? Yes. The wires were addressed to my firm, McIlwraith, McEacharn, and Co. My correspondence, also, was addressed to my partner. This is only a press copy; and it is only by chance that I found it. If I had my original letters, I could give you many more extracts.”

The following answer was given to a question concerning a letter received by the witness :—

“ That last is dated 21st November? Yes :—

“ A Melbourne firm has got a severe loss with rails. I understand they contracted to supply about 50,000 tons delivered for £7. They have only been able to place 25,000 tons at a price to clear themselves, and I understand they are prepared to lose £15,000 on the remainder. This shows you the position of matters. If Thomassen has made a definite arrangement at a low price, then we may consider the matter at an end, unless by your arrangement we go in with our joint account; however, I hope next week will give me some insight into this business; at present, I confess it gives

me more anxiety than anything we have yet taken up. I wish I saw the end of it.”

He (Mr. Griffith) was trying to find a justification of the statement in the report that Andrew McIlwraith was led by these telegrams to enter into a joint contract with Ibbotson Brothers. It might exist in some telegrams, but he failed to find it in these. Questions 867 to 877 were as followed :—

“ By Mr. Griffith: You are a partner of the firm of McIlwraith, McEacharn, and Company, are you not? Ye—

“ You must have received more information from your firm than you told us respecting the purchase of 30,000 tons of rails? Oh, yes! I receive more information.

“ When did you first receive information that they had purchased rails? I received information by letters first. I think the first letter must have been written after the telegram of the 10th October was received.

“ When did you hear—where did you know—first, that your firm had purchased rails? In December, I believe, I knew it. In Rockhampton, I first heard it.

“ How did you hear? By letter.

“ Did you never hear by telegram? No. You have all the telegrams here referring to the matter. I referred to the telegrams under the dates on which I received them. You will find all the information that I had in them.”

“ 30,000 tons of rails would be a transaction of about £200,000, at least. Do you mean to say your partner would go into a transaction like that without informing you by telegram? Certainly.

“ Is rail selling your ordinary business? Oh, yes! the ordinary business of a merchant. It is not the first parcel of rails we have purchased and sold.

“ Did you ever buy parcels of 30,000 tons before? No; and we might not have purchased those had it not been for the blundering telegrams.

“ Is it not the custom with blundering telegrams to ask for a repetition? Yes. You will find that with those before the Committee.

“ What was the nature of the blunder that induced them to purchase 30,000 tons of rails? The nature of it was my telegram that I had made arrangements with Mr. Thomassen for freight, which arrived mutilated; and, afterwards, a further telegram stating that I had arranged with Mr. Thomassen.”

He (Mr. Griffith) had read both of those telegrams, and they did not appear to have been mutilated at all. The evidence of witness continued :—

“ Would your partner, do you think, rest content with knowing what the arrangement was?—He would telegraph to you for a repetition of the message? My reply is, that he did ask for a repetition of the message, and that the telegram is before you; and that I replied to await my letter of the 10th October, which would give him all information.

“ Then we are to understand that your partner, not understanding what arrangement you had made with Mr. Thomassen, bought 30,000 tons of rails in case it should be an unsatisfactory one? He bought 30,000 tons of rails because he had them under offer, and the price had gone up; and he thought that probably all might benefit in the joint transaction which he operated for.

This was a somewhat different statement, Mr. McEacharn stating here that they had a large quantity of rails under offer and bought them because the price had gone up. Questions 880 to 894 were as follows :—

“ We are to understand from you that he bought those rails without understanding your arrangement with Mr. Thomassen? He had those 30,000 tons of rails under offer to him at a certain price, for fourteen days. He received my telegram that I had made arrangements with Mr. Thomassen. He was uncertain what those arrangements were, and he telegraphed for a repetition of my telegram. I replied, to await letter of 10th October; and, as rails had gone up some thing like £1 a-ton meantime, he naturally accepted the offer, and purchased the rails.

“ I understood you, in your statement of the letter of the 31st October, to say that your partner said he had secured 30,000 tons of rails to ‘help us out’? That is the case;—you will see by the letter what it means.

“ You have not produced it? I do not think I stated it—however, it will make no difference—that he had

secured those 30,000 tons of rails, pending definite information as to what arrangement I had entered into with Mr. Thomassen.

"If the arrangement with Ibbotson Brothers and Co. was that they were to supply all the rails, those 30,000 tons, what inducement had your partner to buy them? If you read the telegram, you will find my partner had received the telegram advising him that we were to carry rails, in a mutilated condition; therefore he could not tell what I had done—what the arrangement was.

"Did he understand or not that you had entered into a joint transaction? The assumption was, as he received the telegram, that I had entered into a joint transaction with Mr. Thomassen, but it was uncertain.

"Did he take the trouble to ascertain definitely what was the nature of your transaction before buying the 30,000 tons of rails? I have already stated that he endeavoured to ascertain.

"But he did not ascertain? He could not. He tried to do so; but the telegrams were such that he could not ascertain.

"Are we to understand that he abandoned the attempt to ascertain? He did; because, on 31st October, my letter would reach him probably as soon as a telegram would—if it was to arrive in a mutilated condition as the telegrams before had done.

"All telegrams do not arrive in a mutilated condition? My letter was posted on the 10th October. He telegraphed to me on 31st October; I replied, on 1st November, to await my letter. Rails were in a satisfactory condition at the time, going up. He had no objection to wait.

"But, I understood you to say he had secured the 30,000 tons of rails before the 31st October? Yes; he had, on the 8th or 10th October secured them.

"By the Chairman: Does that mean that he had accepted and secured the contract, and that he had taken the offer of the rails? The usual way is to contract, to be delivered within a certain time.

"By Mr. Griffith: You mean, the contract was made for 30,000 tons of rails on the 8th or 10th October? Yes.

"By Mr. Perkins: Your partner had an offer fourteen days, say, before he accepted it? His offer to me was dated 3rd October, and it was open for fourteen days from then; or, rather, his telegram to me was dated 3rd October. I had telegraphed prior to that, on 29th September, to keep the offer open for fourteen days, so that the offer would have been made, in all probability, on the 2nd or 3rd October, and would have been open fourteen days. At the end of that fourteen days he would have secured the rails.

"By Mr. Griffith: That offer must have been procured in consequence of your telegram that you had made no arrangement with Mr. Thomassen? Yes; and my telegram that I could not arrange. I telegraphed for a further offer of 43,000 tons; but he secured 30,000 tons.

"Then he must have procured this offer and have accepted it before you telegraphed to him your new arrangement with Thomassen? I telegraphed to him my new arrangement with Thomassen on the 10th October—Have arranged with Thomassen—thinking that my telegram of 26th September had arrived correctly, and that he would understand that it was freight I referred to; but as this telegram arrived—Have arranged with Thomassen—he thought it was a joint transaction, and it was about that date that he closed for the rails."

The questions that followed related to the makers of the rails, and the price—

"By Mr. Griffith: Did he only tell you by telegram that he had closed for the rails? No.

"Can you tell us where those rails were ordered from? I know partly where some of them were ordered from. I think it is very probable the Barrow Co. were one of the suppliers. I think it is very probable that the Moss Bay Co. were amongst them. They seemed to know more about them here.

"Have you any doubt? I have very little doubt. I could not say definitely.

"Have you never been informed? No.

"Have you any information—definite information? I have never had any definite information from my partner.

"Have you had any indefinite information? No; I have no indefinite information from my partner.

"Have you had no information? Yes.

"What information? I think the Barrow Co., the Moss Bay Co., and other parties were our suppliers.

"Do you know at what price they supplied them? Yes.

"What? I do not think it should be necessary for me to tell that.

"I ask the question? I think it would be asking matters that are quite out of the proper course. I may say that they were not £6.

"Do you mean it was less? It was an average price. It was not less; it was a trifle over £6, taking the average price.

"What was the price you paid the Barrow Co.? I do not think it is a fair question to ask.

"I press the question? I do not think I am bound to answer every question put."

After pressure, the price was given. The evidence continued—

"Do you know anything?—Do you know; or did you order any rails from any other person besides the Barrow Co. and the Moss Bay Co.? Yes; I believe so.

"Who else? I do not think I should answer that question. I am not definitely advised. I know those two.

"Do you know the quantities ordered from the Moss Bay Co. and the Barrow Co.? Two parcels of 10,000 tons each.

"By Mr. Macrossan: Is that from each Company? From each Company."

First the witness did not know, then he did not know definitely, and then he stated that two parcels of 10,000 tons each were ordered from each company. He (Mr. Griffith) took the liberty of drawing his own conclusions as to the value of that evidence. Questions 939 to 951 were as followed:—

"As your telegrams were unintelligible, your partner would naturally communicate with the other parties to the transaction—Ibbotson Brothers? He did, as you will see from the telegram dated 31st October.

"And did he get any information whatever from them? The telegram is there, already put in. He states that he could get none.

"Do you think that it would be likely that your partner—understanding that your firm were engaged in a joint contract with Ibbotson Brothers to supply 40,000 tons of rails—would make a contract for 30,000 tons without consulting them? Decidedly. When he found that they had not protected themselves, that was a reason for securing the 30,000 tons; and not only that, but prices were going up when he heard from them that they had no information. He advised me on 31st October that he was not aware of the position of matters; therefore he secured the 30,000 tons of rails.

"Do I understand you that he bought them on behalf of Ibbotson Brothers as well as himself? He bought in order to secure himself, in case my transaction with Mr. Thomassen was a joint transaction for the supply of rails.

"And he did this without consulting Ibbotson Brothers as to the purchase of the 30,000 tons? No. I already stated that he had consulted them. He consulted them afterwards.

"Did he consult them before?—He bought those rails without consulting those persons who were jointly concerned with him in the purchase? He also consulted them before; and he went for information to the Queensland Government Office, 32 Charing Cross.

"When did he?—Before buying the rails, did he consult Ibbotson Brothers? Yes. [NOTE (Added by witness on revision).—I could not have spoken so definitely on a matter I could not know about.]

"When? I do not know, by my telegram.

"You say he consulted the Queensland Government Agency? Yes.

"When? October.

"Before the purchase of the 30,000 tons of rails, I mean? I do not know the date.

"I ask you, what steps your partner took for buying 30,000 tons of rails? I think you will ascertain that better from him. I cannot answer the question.

"What do you know about his consulting the Queensland Government Office? He applied to the Queensland Government Agency. He was informed that a telegram had come home to the effect that an arrangement had been made with Ibbotson Brothers, and that the Queensland Agency had communicated with Ibbotson Brothers, but was unable to obtain any information from them."

With reference to the receipt of letters on the subject of the rails, the witness gave the following answer:—

"Will you produce the letters, Mr. McEacharn, advising you of the purchase and disposal of those rails? Yes; if I get them down. I do not think it fair to ask that my letters should be produced, because they refer to many private matters; but I will be glad to show extracts of them to the Chairman of the Committee. I have not got them here, but I will get them down."

With regard to specification the witness said:—

"By Mr. Macrossan: When you buy rails, you do not enter into any specification at all? No; you do not enter

into any specification. I know that 10,000 tons we purchased—I don't know about the others—were not purchased on any specification at all. I do not believe any others were purchased on specification."

and—

"By Mr. Dickson: But when those rails were purchased by your partner, I presume they were purchased at 4½ lbs. weight per yard? I have stated that they were not purchased on any specification."

"But as to weight? They were not purchased, to my knowledge, of any weight;—no specification."

"By Mr. Griffith: Do you mean, not that you know they were not purchased by weight, or that you do not know? I do not know. I think, from the fact of my firm advising me that they would have to pay a higher price in order to meet the higher specification, that they could not have been purchased on specification. It is not usual to do so."

Further on the following additional evidence with regard to quantities was given:—

"By Mr. McLean: I think I understood you to say, yesterday, Mr. McEacharn, that there were 10,000 tons of rails purchased of the Barrow Co., and 10,000 of the Moss Bay Co.? Yes. We have instructions that both those companies supplied 10,000 tons each."

The committee assumed to know all about this transaction.

"Do you know where the other 10,000 tons were purchased? Yes; I know the parties from whom they were purchased, but I do not consider it necessary to give the information. I acknowledged more than was necessary yesterday, as to my profits. I decline to answer that further."

"You decline to answer that question? To answer that question;—decidedly."

Then the witness, who had said that he knew the parties, was told that he must answer the question. He then said—

"I am quite willing to state that the third party was Continental. But I could not tell you the name of the firm. It is a very difficult name, and I have not it in my head."

The witness first said he knew the parties, but would not tell, and, when told he must answer, he said the name was a very difficult one and he did not remember it. In questions 1024 and 1025, he said—

"By Mr. Griffith: Will you be able to supply the name of the firm? Yes; I can supply it. I have it in my correspondence."

"When you get the correspondence? Yes; I think I shall be able to do so. I know that I have had the firm's name."

But the committee never got it. Before passing from this portion of the subject he would refer to the telegrams which had been received in England by Mr. A. McIlwraith from his partner here. They were four in number and as followed. The first, dated September 1st, as followed:—

"New railway to be constructed. Can you make a firm offer of 20-30,000 tons of steel rails for five years delivery, and at what price free on board. Assortment as usual—"

was correctly received, and an answer as followed was sent from London on September 5th:—

"Rails, we offer for delivery within twelve months, 107s. 6d.; fastenings, £11 15s. Impossible extend delivery."

The next despatched from Brisbane on 26th September was as followed:—

"Tibbottson's tender is accepted. To be delivered here we have secured freight room for 17,000. Brisbane 30s. 20,000 Northern (ports understood) 47s."

There was a mistake in this one in the use of the cypher word "nothing" instead of the word "northern," but the message was very intelligible. The next message sent three days afterwards was received and understood in London, as also was that of the 10th October. Those were the telegrams which were said to have been so mutilated that they could not be understood. He should now call attention to Mr. McEacharn's evidence as to letters. In all the evidence given

up to this time the witness had depended upon his recollection, but he said he would produce the letters. On that point the following evidence was given:—

"By Mr. Griffith: Have you any further correspondence from your partner which would throw any light on the matter which we are investigating? I have extracts of two letters, here; one dated 9th October, and the other the 31st October. I will read them. I had better read that of the 9th October first:—

"And now I think I have touched upon all business except rails, at present the most interesting and exciting subject of them all. The various messages have been coming through in a very mutilated form, as you will see from the readings as we make out."

If that were the case there must have been other telegrams than those produced, for only three had been shown; of those only one was mutilated—

"Our reply to your message asking question was sent on the 5th September. Owing to the very excited state of the metal market we were unable to do better."

Then a piece was cut out—

"I had been expecting your next message for a new quotation, and was ready to give another immediate price—subject to 14 days—for reply * * * * *

(Here more was cut out.)

"and I am afraid unless there is word from you soon our friends will endeavour to back out."

The evidence of witness continued—

"Whom is this letter from? From Mr. Andrew McIlwraith, my partner."

"This is a very mutilated extract, Mr. McEacharn;—two lines left out of the very middle of the document, which might entirely change the meaning of it? It will not at all change the meaning of it in the least."

Nothing more was known by the committee of the excisions except what might be gained from the following subsequent answers:—

"Did that letter contain the names of your friends whom your partner says he is afraid will back out? No; it did not. If you will give me time, I will endeavour to put in what he did say. I think this concluding sentence was—

"And after consulting with our financial agent we telegraphed you to reduce the price."

It was something to that effect. It was relative to the telegram of the 4th instant; and it brought in the name of the party; and I cut it out."

"How would that run with the rest of the sentence?—

"And I am afraid, unless there is word from you, soon, our friends will endeavour to back out? Surely, what was left out must have been some statement about the rise in prices of rails? No; it did not refer in any way to the price of rails. It referred to the telegram authorising us to reduce the price."

Question 1578, on the subject of letters, was as followed:—

"Now, what was the next letter you got from your partner on the subject? That was dated 31st October. This is the extract:—

"I scarcely make out from the reference you make to Thomassen whether you are working in conjunction with him or otherwise. Your messages come to us as a rule in a very mutilated form. On the 16th instant I asked you to repeat part of your message of the 11th instant, but as you made no reference to my request in your message of the 27th [NOTE added by Witness, on revision].—This message referred to other business, and not to rails or freights.] I conclude you thought the matter of no great importance. I again set to work, and at last hit upon what I consider is the proper reading of this message, viz.—

"Telegram arrived Will reply by mail Rails—Have arranged with Thomassen Telegraph instructions, &c., &c. Copy enclosed * * * * *

Witness did not say what the telegram was.

"This matter is still obscure * * * * *

A piece cut out.

"and as it may assume a very serious aspect to us owing to the rise in all hematite iron * * * * *

Another piece cut out.

"I wired you again asking for particulars; see copy message dated 30th October."

"The position of matters here certainly justifies us in being anxious The Government wire home they

have made a contract with Ibbotson's agent, subject to being ratified in London, for 12,000 tons of rails. You say you have arranged with Thomassen. I wrote Ibbotson to see if they can give any explanation. They say, No * * * * *

A long piece cut out here.

"that they have placed no orders for delivery forward. Now, if such is the case, it will be impossible to place a rail under £7 per ton for delivery over twelve months; and, as for five years. I don't believe a single work would look at it under £10 a ton, or at least £9. If you have, therefore, gone in upon joint risk, leaving the purchase in Ibbotson's hands, I am afraid it is a bad job, and for that reason we are anxious to know, so that we may protect ourselves by holding on * * *,"

That was all the information which Mr. McEacharn would give them on the subject. He would ask anyone who could take an impartial view of things whether on that the committee were justified in stating definitely and conclusively that the fact was established beyond all reasonable doubt that the transaction was initiated by Mr. Andrew McIlwraith in the way stated in the report. He (Mr. Griffith) did not desire at present to come to any conclusion on the point. Mr. McEacharn said he was uncertain about it: that he had no definite information—and he certainly produced none. He (Mr. Griffith) thought the statement made in paragraph 7 of the protest—

"Mr. McEacharn suggests that the purchases made by his firm were made under the impression that they were jointly bound with Messrs. Ibbotson in a definite contract, but, as he declined to produce more than two of his partner's letters, both of which were mutilated by actual excision to a considerable extent, we suspend our judgment on this point until the whole truth is disclosed"—

was the only conclusion which could be justified on the evidence which had been given. He would now pass on to the 14th paragraph of the report, in which it was stated—

"Your Committee have taken it into consideration whether, supposing the rails supplied by the Barrow Hematite Co. were bought by Mr. Andrew McIlwraith as an agent of the Queensland Government, the Government have not a right to claim from McIlwraith, McEacharn, and Co. a sum equal to the difference between the buying and selling prices of the rails. There is, however, no evidence to show that he acted as agent, and your Committee cannot see in what way the Government can have any such claim."

That was another point on which it was certainly impossible to form a definite conclusion. He, however, dissented from the statement that there was no evidence that Mr. Andrew McIlwraith acted as agent. There was not evidence of a sufficiently satisfactory character to justify anything more than further inquiry, but he would dissent from the statement that there was "no evidence." It would be remembered that when the matter was first brought under the notice of the House at the beginning of the session, he stated that he was informed that if the Premier had taken the trouble to inquire at the works of the makers of rails he would have been told that the rails were ordered in the name of the Queensland Government. That was the serious part of the charge, and if the statement were true the Government would certainly be entitled to the difference. The report said there was no evidence in support of the charge: that was an important finding. He agreed that there was no evidence to justify them in saying that it was so; but the state of the evidence did not justify them in saying that it was not so. He would call attention to the evidence on the point—there was very little of it. The evidence of Mr. Hamilton—questions 143 and 144—was—

"Were any inquiries made at the London office towards the end of last year about rails? There were. A gentleman came into the office. In the hurried way that I left the office, I could not find his card. I got my discharge at half-past five, and the office was taken possession of at ten o'clock in the morning. I tried to

think of the name of the party who called: but I cannot. Towards the end of the year a gentleman called, and, presenting his card, asked if we were in the market for rails. I said, we were not. He again put the question—'Are you in the market for rails?' I said, no. He again asked, 'Are you quite sure that you are not in the market for rails?—Could there be somebody in the market without your knowledge?' I said, 'I have no idea.' He said, 'There are inquiries in the market for Queensland rails.' I said I knew nothing of it.

"Can you say about when this was? That was in the month of September, I think; or the beginning of October."

The next questions on this point were 166 and 167—

"Did you receive anything from, or see anything of, any of the other representatives or any of the people who were invited to tender, on the subject—about these rails? Well, one of the tenderers was John Brown and Co. Their representative in London, Mr. Bean, called and asked me where the tender to contract had gone to. I said I was not aware; he had better see Mr. Ashwell. He went to see Mr. Ashwell, and came down to me immediately after; and he said, 'He tells me they are gone to Barrow.' I said, 'Indeed; I understood the Barrow people were not tendering.'

"Was anything else said? Well, he made a remark that he thought there was something crooked about it."

The next questions dealing with the subject, Mr. Hamilton being still the witness, were 250 to 255—

"Did you visit the Barrow Co.'s works before you left England, Mr. Hamilton? I did.

"Did you make any inquiries there as to the contract—as to their supply of rails? Yes; I did.

"Will you say what took place, as far as you can recollect? I called at the works and asked for Mr. Smith, the managing director. I showed him that I had been dismissed, and explained to him that it was mainly on account of bringing before the Agent-General the invoices that he had sent to the office by mistake—so Mr. Smith had said. He said, 'Ah! the Premier and Mr. Ashwell have been here before you—on the same subject.' 'Well,' I said, 'I wish you would give me some information respecting it, so that the rights of the thing can be ascertained.' 'Well,' he said, 'all that I have got to say is, that a broker bought all the rails at a time last year when rails were about £6 a ton, and at a fair price; and they have changed hands with other people, amongst whom is McIlwraith, an Australian merchant;—but the fact is,' he continued, 'I do not care about giving any further information about it, because it is probable that I shall have to answer an inquiry myself, and I do not want to commit myself to any statement, especially as our commercial secretary has been struck down ill, and he is the only party that can give any information correctly.'

"Was the name of the broker mentioned? I asked. I said, 'Is Mr. Leonard Cooper the name of the broker you refer to?'—and he said, 'I believe he is; but I would prefer that the inquiry should be made to the commercial secretary, when he gets better.'

"Was the quantity of rails mentioned that they were to supply? Yes; five thousand.

"Five thousand tons? Mr. Smith said, five or six thousand."

Mr. McEacharn said he was not certain whether 10,000 tons of rails were not ordered, and Mr. Hamilton mentioned 5,000 or 6,000 as the quantity stated by the managing director of the company. How could the committee be sure on the point when the principals were not? Mr. Hamilton was asked (question 256) whether he had visited the Moss Bay Company's works, and he replied that he had, and that he had seen the manager, who drove him over to see Mr. Valentine. The witness then went on to say that Mr. Valentine was one of the principal proprietors of the Moss Bay Company, and he added—

"I went to Mr. Valentine at his own house, and I told him that I had been dismissed, and the particulars, as far as was news to him. I told him then that I wished him to give me all the information he could in reference to the parties interested in the contract. He said, 'I have no special objection to withhold any information from you, but as we are dealing direct with one man I prefer that you would get the information from him. If he refuses to give it to you, after I consult

with my partners. I would give you what you want. The man who paid for the rails is Mr. Leonard Cooper, of Leeds. If he refuses to give you the information, I think my partners should give it to you. But I would prefer you should first ask himself.' He said the rails were purchased at a fair market price at the time they were bought. He could not recollect the date. This was in his own home, not in his office. But the subject was negotiated at the Liverpool Meeting but not settled, so that the date on which those rails were sold, or finally contracted for, was some time after the Liverpool Meeting.

"What is the meaning of the 'Liverpool Meeting?' Race Meeting. I asked him if they were bought for the Queensland Government. He said, 'I understood them to be a direct purchase; if I did not think so now I should cancel the agreement.' He said, 'We had often offered to supply rails to the Queensland Government, and, without any apparent reason, we've always rejected, and we were anxious to initiate a connection with them.'"

When the Barrow Company made out their first invoices for rails, which they were supplying, they made them out direct to the Queensland Government, and stated the quantities, with descriptions of the rails, and the price—£6 per ton. The dates of those invoices were the 11th, 12th, and 13th of March, 1880. Shortly after that time the Premier and Mr. Ashwell visited the works of the company and saw the rails.

Mr. PERKINS: That is not in evidence.

Mr. GRIFFITH said they saw rails which were being made—not those which had gone away—certainly not. With regard to that visit the Premier said (questions 2082 to 2087)—

"Were you aware at the time of your visit to Barrow that the Barrow Co. had sent in their invoices for rails to the Queensland General Office, dated 11th, 12th, and 13th March, and charged for them at £9 a ton? No.

"Was anything said about the rails, at Barrow, between you and anybody there, about the price of them and the time they were ordered? I think that both of them complained about the low price to me.

"Did they mention what it was? No; I knew what it was.

"What? £9 18s. 6d.

"But did you think, at the time, that the Barrow Co. were getting £9 18s. 6d.? I did not know what they were getting.

"Do you remember what they said, in complaining of the low price? Yes; they hoped the next time they got a contract for the Queensland Government that they would get a higher price."

The Premier had fixed the date of that visit as the 17th of March, but that appeared to be a mistake; it was not till the 24th of March that he went there. It was on the 25th March that Mr. Hamilton wrote inquiring about those invoices. He had thought it necessary to call attention to that evidence because he said it was incorrect to say that there was no evidence that Mr. Andrew McIlwraith represented that he was acting as the agent for the Queensland Government in buying those rails. He did not say there was satisfactory evidence on which to form any conclusion; but there was certainly evidence to justify further inquiry. If what was suggested in the statement of Mr. Valentine was true, there was reason to think that a large sum of money had been procured from the Government irregularly. Whether that could be proved he did not confess to know. Mr. Hamilton might have misunderstood what Mr. Valentine said.

The COLONIAL SECRETARY: He told lies, as he generally does.

Mr. GRIFFITH said there were very few people who did not make mistakes. He ventured to say that there was not a single witness who gave evidence before the committee on more than one occasion who did not contradict himself more or less, as any witness was likely to do who was in the box for a long time.

The MINISTER FOR LANDS: What about Mr. Hamilton's commission?

Mr. GRIFFITH said he was coming to that directly, but that was beside the question which he was now discussing, which was whether there was any evidence suggesting that the rails were bought in the name of the Queensland Government. He said there was very strong evidence, but not by any means conclusive enough or sufficient to act on in any way. There was strong evidence in the fact that Mr. Hamilton said he had been told so by a gentleman from whom the rails were ordered, and in the fact that one of the firms sent their invoices direct to the Queensland Government, being evidently under the impression that they were dealing with them; and also in the fact that one of the makers remarked to the Premier that he hoped the next time his firm got a contract for the Queensland Government they would get a better price. Further investigation on the point was necessary before any definite conclusion could be arrived at. Another matter to which he desired to call attention, and which he dissented from, was contained in the 16th paragraph of the report, as follows:—

"McIlwraith, McEacharn, and Co. were the lowest and successful tenderers, at 38s. 6d. per ton to all ports—a larger price than the average previously paid by the Government; but your Committee do not consider that the freight is in any way excessive for full-cargo ships, there being evidence to show that rails are by no means a favourite cargo with shipowners."

The evidence showed, as far as he could make out, that the whole affair was pre-arranged—that there was no *bond fide* competition at all. That could be scarcely denied; but he would call attention to the evidence on the point. If a contract was made, not by real tenderers in competition, but by a preconcerted arrangement between certain gentlemen, how could they tell that the rates were not excessive? The appendix at page 149 would show what the ruling rates were. At the London inquiry Mr. Hamilton was instructed by the Premier to prepare a statement of the freights paid for the previous three years. From this statement it appeared that the average rate for all ports was 28s. 10d. per ton. A comparison of the freights paid for rails carried in general ships, and full-cargo ships, showed that the carriage in the former case to Brisbane was about 24s. per ton including transit to port, while in the latter it was from 35s. to 42s., the full-cargoships going entirely to northern ports; yet the committee did not consider the tender of McIlwraith, McEacharn, and Co., at 38s. 6d. per ton to all ports, excessive. Now, let them see how the contract was made. He did not at present express any definite conclusion on the point, but he would quote Mr. Hamilton's evidence, which was not contradicted. Question 173 and the answer to it were as follows:—

"Well, what was the first you heard, Mr. Hamilton, of calling for tenders for the freight of those rails? A few days after the contract for rails had been settled—perhaps a week after—some time after—I don't know how long, because I did not know precisely at the time how it was arranged—Mr. Macalister called me into his office and said, 'Hamilton, I wish to call for tenders for freight for 15,000 tons of rails.' I said, 'Very well, sir; you had better let me know where they are made, and the ports they go from, and what ports they are destined for, and all particulars about them.' He said, 'You have got nothing to do with that.' I said, 'Then will you kindly dictate a letter, which I will write and you will sign? I will send it. I do not know what to write, unless I have those particulars.' He said, 'I will see about it myself.'"

It was because of this part of his evidence that it was said in the report that if some of Mr. Hamilton's evidence was true the Agent-General was not sane; but he made the same statement in London, in the presence of Mr. Macalister. Mr. Hamilton was then asked—

"What was the next you heard of them? I think the following day Mr. Clay came in to me. He is the indent clerk. He said, 'I have instructions from Mr. Macalister,

who says he is acting under the advice of Mr. Ashwell, to send out the letter inviting tenders for 15,000 tons of rails.' I said, 'All right; you had better send it out, just as you have instructions to do it.' When it came under my notice, next time, it was, I suppose, about ten days after or more; Mr. Ashwell brought in the tenders. In the meantime, after the first tender went out, Mr. Bethell came to me.

"Is that Bethell, of Taylor, Bethell, and Roberts? Yes. He came to me and asked whether it was true that the Government had decided to ask for tenders for direct ships only; because, if it was so, the Liverpool ships they were connected with, and the London ships, would be put at a very great disadvantage. I said, 'I never heard anything about it; I did not think it at all likely that such a thing would take place.' He said, 'I have heard it said that this is to be; and I have come down to make a representation to the Agent-General about that, and to have the tenders opened in public.' I stated then that I did not think tenders would be asked for direct ships only—I thought I was entitled to say that much; but that I had not heard a single word about it; Mr. Macalister had not given me the slightest idea that such was the case. He said, 'I had better see Mr. Macalister myself.' I think I said, 'Yes; very well.' I do not know whether he saw him or not."

Mr. Hamilton then said that the tenders were sent in to him and Mr. Ashwell to open and schedule, and that he remarked that the tender of McIlwraith, McEacharn and Company was higher than that of Law and Company for Brisbane, and Taylor, Bethell, and Roberts, for Northern Ports. Mr. Hamilton was asked what Mr. Ashwell said to that. The answer was—

"He said he would take them in to the Agent-General to see what he said about it. I also pointed out that the amount was very much in excess of what we had ever paid before, and quite in excess of what there was any necessity for paying now."

The questions following were—

"What did he say to that? He said he would refer to the Agent-General and let him decide about it.

"Did you say anything else to him then? He went to the Agent-General. There was nothing said. I do not remember anything further of that particular conversation; but he came afterwards to me.

"When?—the same day? Half-an-hour afterwards—very shortly afterwards—with the tenders in his hand, and he said, 'You had better write 'accepted' across the middle of McIlwraith, McEacharn, and Co.'s. The Agent-General says they are to have the contract.' I said, 'Not me.' I said 'I am sure there will be a noise about it; and I think that, considering your position, to ask me to do a thing like that is very wrong of you.'

"What did he say? He said, 'You had better do it.' I said, 'No; I would rather take legal advice as to what my position is, than go into that transaction.' I also said to him that it was very wrong of him, considering his connection with the ships, his connection with McIlwraith, McEacharn, and Co., his position with Haslam Co.; it was excessively wrong of him to force such a position on me.

"Yes;—did he say anything to that? No; he made no reply to it. He said it was the Agent-General's instructions, and, of course, they would be carried out.

"Did you say anything to him about the Agent-General or anything of that kind?—did you say anything further to him, on that occasion, about the Agent-General? While discussing it, he said, 'It is a very strange thing that the Agent-General does not bring this paper to you himself.' I said, 'I have no doubt that he would do so if let alone; that it was very wrong of him, considering his position, to surround him with papers in that way.'

"Well, what was the next you heard about this freight contract? Mr. Bethell called a day or two afterwards and asked if I could give him a copy of the tenders—of the whole tenders; and I said, no; that although I had seen them, they were not in my possession. Besides, I did not think they could be given. I said, at all events, I could not give them to him. Then he said, 'You know, it does not matter now about it; we are in it. I saw there was going to be no chance of getting anything unless we joined with them;—with McIlwraith and McEacharn.'

"Yes;—go on—give us the conversation? That was all the conversation that I had with Bethell on that occasion.

"Had you any with him afterwards? Yes; sometime afterwards he came and told me that he was very sorry that I was not working harmoniously with the Agent—

General; that he had it from Andrew McIlwraith that there was not to be an inquiry into the office; and that I had better work harmoniously, or it would be worse for myself.

"What did you say to that? I said, I did not know what he meant by 'harmoniously.' If he meant in reference to those freights—that I should take any steps other than I had taken—I could not work harmoniously; and I would not. And, I would take any consequences."

The next questions on this same subject were from 619 to 624, as follows:—

"Are not Thomas Law and Co., and Taylor, Bethell, and Roberts, and Anderson and Anderson, and McIlwraith, McEacharn, and Co., and others—are they not respectable shippers? I believe that every one of those people went into it unwillingly. I believe they would not do it if allowed to have their share of freights on proper competition.

"But are they not all respectable shipowners? I do not know anything against any of them, except what you know. There is nothing that I know of them that I would be at all alarmed to do business with them.

"By Mr. Perkins: How do you know of the existence of an agreement amongst them, Mr. Hamilton? I was told of it.

"Who told you? Mr. Law, Mr. Bethell, and other ship-brokers. One of the clerks of another ship-broker stated to another gentleman, who informed myself, that they were receiving their share of freight under an arrangement;—that is from three sources.

"By Mr. Macrossan: It would seem from your answer to question 242, that McIlwraith, McEacharn, and Co. were inclined to back out of that agreement; and that Law threatened, or told you that he threatened, he would make a complaint, unless he got a share of the rails; and that McIlwraith, McEacharn, and Co. told him that they gave him 28s. 6d., to which Law said he would get what they were being paid. Do you know if he is getting 38s. 6d.? I believe he is getting what is considered equal to 38s. 6d., in this way: that is the rate now to all ports—38s. 6d. all round; but he is getting an allowance to Brisbane which will be equal to an all round freight of 38s. 6d. to all ports.

"Can you tell us what that rate is? I may be a penny, or something out—I think it is 34s. 11d. I was told of it; and he stated it somewhere to me."

In question 242 and following questions Mr. Hamilton was asked—

"Did you receive any information on the subject of value to be made public? Yes.

"From whom? I wrote a letter to Mr. Law, and he did not reply to it quickly; and I went to Glasgow to see him. I told him that I had written to him and expected a reply. He said that the reason he had not replied was that he had a difficulty in knowing what to write. He was very sorry that such a course was adopted towards myself; that it was very undeserved under the circumstances—very improper; and he said that if called upon he would be very glad to state the whole truth in connection with the transaction. He said that after the contract was let he had gone to McIlwraith and McEacharn and said that he would make a complaint about it unless he got a share of the rails, and that McIlwraith and McEacharn replied that they would give him the rails at £18s. 6d., the amount he tendered for to the Government. Mr. Law said he would not be content with that: he would have what they were being paid—what they were getting for them * * *

"He said he would have the rate that was being paid by the Government; and then he told me that they made an agreement with him—a written agreement—that provided he limited the number of ships, I think, to five in a year and not over, of a certain burden, and charged a certain rate of freight for goods, he should have freights.

"Did he give you any information as to any communication he had received before the tenders were sent in? He did. He said he had got an intimation from one of the brokers that they had combined; and that there was no use in tendering except in concert; because McIlwraith and McEacharn would get the refusal of the contract; and that if his firm went in and competed for the contract it would be only damaging themselves."

There was a letter from Mr. Law to the Premier bearing on the same subject. He would now call attention to Mr. McEacharn's story about this combination. In question 1251 he was asked—

"By Mr. Macrossan: Have you any reason to know that Mr. Hamilton was aware that the brokers

made arrangements to regulate freights? Mr. Hamilton was perfectly aware that the London brokers had arranged to regulate the loading of ships, and to regulate the working of the trade generally. What is more, he has told me he intended to put on a ship, in conjunction with Mr. Lyfe, in order to secure cheaper freights than the brokers would give him. I informed Mr. Hamilton of it myself, so there can be no mistake about that."

"By Mr. Griffith: You said that Mr. Hamilton was aware that there was an arrangement amongst the London brokers who arranged the business. When did he first become aware of that arrangement to your knowledge? Oh! he would know it two years back."

"How long had the arrangement been in existence? I suppose it has been in existence about that period."

"Who were the parties to it? I decline to answer; I have no business to mention other people's names in this inquiry."

"Are your firm a party to it? I decline to answer that question."

"Is the arrangement still in force? Yes; there is an arrangement in force."

"Is your late contract with that Government for freight of rails subject to that arrangement? I think that it would come under that arrangement; I am not sure."

"Will you tell us the nature of the arrangement? Yes. It is an arrangement that was entered into after the London brokers had fought us for some six months, had opposed every ship that we put on for Brisbane, and every ship-broker in London had been losing at the rate of £400 or £500 a-ship that they loaded. Whenever we put on a vessel they put on a vessel for the same date. If we took goods at 20s. they took them at 15s.; until, at last, they thought we were as—well, one of their fraternity—worthy as any other, and they pointed out to us that it would be far better, instead of putting on a number of vessels irrespective of dates, that we should arrange dates to suit cargo amongst ourselves, and meet from time to time to see what the requirements of the trade were, and arrange the dates to suit those requirements, so that merchants for their part could depend upon the dates when their goods would be sent away. And the arrangement, also, went into the question of freights that should be charged, as it was found that, at times, where one broker had a vessel on, and no other sailing within a fortnight of that date, he would put the freights up to a price that the merchants could not afford to pay. We therefore arranged to charge what, as between the merchants, the brokers, and the ship-owners, would be considered a fair freight."

Again in question 1306 he was asked—

"By Mr. Griffith: Can you tell me any more about the arrangement of the brokers, as affecting the present freight contract for rails?—do you feel disposed to give me any more information on the subject? I shall be very happy, if you put specific questions."

"How does that arrangement of the brokers affect the present contract of the Government? I do not know that it would affect the present contract of the Government at all."

"I ask you, to what extent is the agreement between the Government and your firm for the carriage of rails subject to the arrangement that you have spoken of? I do not know that large contracts of that kind would be subject to any arrangement at all. It may go quite outside."

"Or, may be within it? Or, may be within it."

"Do you not know? I do not know, from my own knowledge."

"Have you not been informed by your partner? If you ask me in what way I have been informed—"

"I ask, have you been informed by your partner? As to what—"

"Whether the contract with the Government for freight of rails comes within that arrangement or not? My partner has not informed me whether that comes specially within the arrangement or not."

"Why do you add the word 'special' to my question? I think it gives it more force."

"Has your partner informed you whether the contract with the Government is subject to any arrangement—the one you have described or any other—with the brokers? I do not feel inclined to enter into any question concerning anything of that kind."

"Do you decline to answer the question? Yes."

It thus appeared that, although Mr. Hamilton was willing to, and did tell the committee, what the broker told him, Mr. McEacharn declined to tell the committee what he knew about it. At question 1318 he was asked—

"I ask you to give the Committee such information as you had from your partner on the subject? I have

answered that question. I do not think you should make the inquiry."

"Have you received any further information from your partners on the subject than you have given to the Committee? The information that I have received from my partners would bear out the answer that I have given."

"Can you tell me how the ships supplied by different brokers are to be divided, or allotted, under the contract with the Government? That is entering into private engagements which I am not at liberty to refer to."

"Are you aware how they are to be divided or allotted? I am aware of the general working of this agreement, and the fact that it is for the benefit of all concerned."

In the face of all that, he (Mr. Griffith) did not see how the committee could come to the conclusion that there was not some special arrangement made by which 10s. a-ton more was to be paid than had previously been paid. It was a contract made after a very short notice indeed, the terms of the contract being altered three days before the last day for tendering. He should say, for his part, that a contract made under those circumstances could not possibly be a fair contract. There was another paragraph in the same clause of the report—clause 16—which was deserving of notice. It would be remembered that no sooner was the stipulation made that the only kind of ships in which rails were to be sent out should be full-cargo ships—the consequence of which was that the freight was raised to 38s. 6d., the average freight at the time being much less—than the objection to berth ships was waived in favour of McIlwraith, McEacharn, and Co., and seven berth ships were allowed to take rails. Mr. McEacharn said, in answer to question 1333—

"I was advised that a certain quantity of rails was to go. This is an extract from my partner's letter, dated London, 21st May:—

"The 'Warwick' is to take 100 tons; the 'Golden Russett,' 90 tons; the 'Garnock,' 207 tons; the 'Dumbar-tonshire,' 552 tons; the 'Shenir,' 302 tons; the 'Corinth,' 100 tons; the 'Aberlemno,' 256 tons;'

And then he continues—

"Any future rails will be sent by full-cargo ships only."

It appeared that that permission was given, but it was not shown by whom it was given. It was said that it was given by Mr. Hamilton, but he (Mr. Griffith) thought that was very unlikely to be the case. Yet the committee, in their report, said—

"As Mr. Hamilton ought at that time to have charged himself with the conduct of the shipping arrangements he cannot be relieved of the responsibility of the concession."

No doubt, in one sense, Mr. Hamilton ought to have charged himself with the shipping arrangements; but it so happened that, because he would not charge himself with this particular arrangement, he was not now employed in the London office. It might just as well be said that the Premier, who was in London at the time, should be held responsible for it, or the Agent-General. Mr. Hamilton was there, but he was not allowed to decide these things, and all he could do was what he did—namely, to protest against the way in which the Government of this colony was being treated. To say that Mr. Hamilton could not be relieved of the responsibility of the concession was a sort of grim irony. Let hon. members see what the evidence on the subject was. It was said by the committee, in their report, that—

"Mr. Macalister has furnished an explanation by telegram, which has been corroborated by letter received by the Premier from Mr. Andrew McIlwraith, that the condition referred to was waived by Mr. Hamilton."

But let hon. members look to the evidence. At question 2545, Mr. Hamilton was asked—

"In question 1065 it is suggested that you gave permission for some of the 15,000 tons of rails ordered this

year to go by berth ships, and that that permission was given in consequence of brokers in London wishing for part of the rails to come through to London. Did you ever have any interview with any broker on the subject while you were in the office? Not one—except Mr. Bethell, of Taylor, Bethell, and Roberts, and Mellwraith and McEacharn; not a London broker ever came to the office even to make an inquiry before it was let.

"And did any come afterwards? Never;—not on any occasion;—except Mr. Bethell.

"What did he come about? I have given, in my previous evidence, the gist of his conversation.

"Had it anything to do with sending the rails in berth ships? Oh, no! not at all; never made a remark about it.

"Did you ever give permission for any of those rails to go in berth ships? Never.

"Were you ever asked to? Never.

"Were you ever consulted about it by anyone? I was asked, in this way of conversation with Law, that has not been given here;—Mr. Law came to me from Glasgow, when he lost the contract. He came to the office, and said that he had seen Mellwraith, McEacharn, and Co., and had intimated that he was going to report the circumstances to the Government, unless he was to get rails to load the berth ships that he was sending to Brisbane.

"Report what circumstance? Report the circumstance of the letting of the freight at a higher rate than he had tendered for. He said, 'They will not do anything without they have authority from the Agent-General; and Mellwraith suggested that I should go over and see you,'—that is myself;—'and,' he said, 'I do not want to influence you in any way, or to interfere with your action; but, as they requested that to be done, in the first instance, I thought I should do so.' I said to Law, 'I have had nothing to do with it, all the transaction you know well enough yourself;—I have had nothing to do with it;—I will not interfere with it in any way.' He said, 'I think you had much better not to.'

"Is that the only communication you ever had with anyone? I had a conversation with Mr. Mellwraith; but it is reported in the evidence. He said to me that Mr. Macalister had promised to let them go. I asked him if he had that promise in writing. With those exceptions no other communication was made to me about it."

It seemed to him that if Mr. Macalister gave permission verbally, it was too bad to say that Mr. Hamilton was responsible. There was another point in the report to which he would direct attention—namely, on paragraph 21—

"Mr. Hamilton's evidence implies that the Premier visited the Barrow Haematite Company's Works after the inquiry into the working of the London office had begun, and his attention had been called to the two invoices for the same rails, either for the purpose of inquiry or to prevent any inquiry disclosing facts damaging to himself or his friends. The Premier, in his evidence, contradicts all this, except the fact that he visited the Moss Bay and Barrow Haematite Company's Works, pursuant to a suggestion made by the Agent-General on the 23rd December previous. He gives as the cause of his visit a wish to see some of the works where rails were manufactured, and fixes the date as the 17th March, fourteen days before he had seen Mr. Hamilton's letter of the 31st March. He denies ever having mentioned the matter Mr. Hamilton went to inquire about; and states that at the time of his visit he was ignorant of it, and that at no other time has he visited Barrow-in-Furness. It appears that, with the view to determine this question, Mr. Macalister was, on the 20th October, instructed by telegram to ascertain from the managing director the date of the Premier's visit to the Barrow Works. To which inquiry Mr. Smith replies, that 'Premier visited these works once only, on March 24th, with Ashwell, engineer.'"

Mr. Hamilton only stated what Mr. Smith told him. If Mr. Smith had not said so, then Mr. Hamilton's evidence was incorrect; but the implication suggested in the report was not made by him. When Mr. Ashwell went to the Barrow Works on March 24th, these invoices had been in the office more than a week, and might have been seen by Mr. Ashwell; but all he (Mr. Griffith) could say was this—that it did not strike him until he read the report that Mr. Hamilton had made any implication or any statement, except that Mr. Smith had told him so-and-so. He would now refer to clause 23 of

the report, which contained most damaging statements respecting Mr. Hamilton. It said—

"The inquiry held by the Premier into the working of the London office proves conclusively that it was in a state of great disorganisation, and that the Agent-General (Mr. Macalister) and his Secretary (Mr. Hamilton) were not working well together. Mr. Hamilton's own evidence proves that he had for a long time neglected to keep himself acquainted with the work of the office, while his reasons for doing so cannot be held as a sufficient excuse; and he was particularly culpable in not reporting to the Colonial Secretary his reasons for believing that the interests of the Government were neglected by the Agent-General. Part of the evidence given by Mr. Hamilton is hardly credible, supposing the Agent-General to be sane, while in the evidence before your Committee he departs in two very important particulars from what he gave at the inquiry into the London office. It should also be noted that the whole of the serious charges made or implied against the Agent-General and the Premier rests upon the unsupported evidence of this witness, who contradicts himself and is contradicted by others, and whose conduct in the London office was such that your Committee believe the Agent-General neglected his duty in not suspending his secretary a year before his dismissal and reporting him to the Colonial Secretary."

Upon that he would observe, first, that he could not, in reading the evidence, discover the two important particulars in which Mr. Hamilton, when giving evidence before the committee, departed from the evidence which he gave in London, and he had referred to the different portions of evidence indicated by the marginal notes of the report. That Mr. Hamilton did not materially contradict himself in some evidence respecting his connection with Smellie and Company, he (Mr. Griffith) would prove by reading the evidence—in fact, instead of contradicting himself it was others that were contradicted: at the same time, his evidence at home and here might not agree on every point, nor would any other person's under the same circumstances. Mr. Hamilton was asked at question 641—

"I see you were asked at the London Inquiry by Mr. Mellwraith:—

"Since you occupied your present position in the service of the Queensland Government, Mr. Hamilton, have you been in the employment of any other individuals or firms?"

"And the answer is—

"Mr. Hamilton: No.

"Mr. Mellwraith: Have you ever done work, and received remuneration for work done for any other individuals or firms?"

"Mr. Hamilton: I have done no work which interfered with my duties as secretary in this office; none whatever.

"Mr. Mellwraith: Have you bought goods on commission, and consigned them to the colonies on commission?"

"Mr. Hamilton: No."

"Do you still give the same answer now? Yes; I will just explain in reference to that: when I first went to London, Mr. Smellie—I drove down from Ipswich with Mr. Smellie; it was then spoken of that vessels would go from the Clyde; and I told him that ship-brokers had complained that they could not send vessels from the Clyde, because no cargo was coming; and he mentioned that he would ship from the Clyde, provided he knew that vessels were coming;—after I went to London, I was writing to him, on other matters, private matters, just as a friend;—I mentioned to him that the great difficulty was in getting heavy weight. He wrote to me in reply stating that if there was any difficulty about it he would be very glad if I would send out either pipes or pig-iron, which were heavy things, involving little money; but that he could not let an order be standing so as for shippers to send as they pleased. I sent out a few lots of it in that way. I wrote to him—I wanted no commission—about it. Mr. Smellie remitted to me; for he would not have anybody do business for him, he said, and remitted his commission. With that exception, no commission of any kind was ever received by me.

"By Mr. Griffith: How long ago is that? About six years; several times—three or four times.

"But how long ago was the last? I could not state just now;—I think, about twelve months ago."

That was the extreme of the contradiction of which so much was sought to be made. What

was wished was that hon. members should be led to believe that Mr. Hamilton was in the habit, whilst in the employment of the Government in London, of doing business for private firms in Brisbane. But the result was that during six years he sent out a few lots of pig-iron for Smellie and Company as dead-weight for immigrant vessels coming out here, in order to prevent those vessels being detained. In consequence of that it was now said that Mr. Hamilton had contradicted himself in his evidence on very important matters. But, supposing his evidence had varied in this one particular, it was not what would be called contradiction in other places: if they wanted to prove a contradiction they must first tell a man what he was being examined upon. He ventured to say that there was not a member of that House who was not liable to contradict himself. A man was asked a general question suddenly and he gave an answer which, on after consideration, he found was not exactly correct, and on being asked again, and his attention called to the particular instance referred to, he would give a correct answer.

The PREMIER: There is a question in page 12 of the London inquiry. Refer to that, and see if there is not a contradiction.

Mr. GRIFFITH said he had quoted the questions selected by the Minister for Works when examining Mr. Hamilton, as he thought that hon. gentleman would be sure to take the strongest points against the witness. On referring to the London inquiry, he found that Mr. Hamilton was asked by Mr. McIlwraith—

"By Mr. McIlwraith: Have you ever done work, and received remuneration, for work done, for any other individuals or firms? I have done no work which interfered with my duties as Secretary in this office; none whatever.

"Have you bought goods on commission, and consigned them to the colonies on commission? No.

"Have you supplied goods for which you have been paid commission by merchants in Queensland, or any other colony? I do not think it necessary to answer any further. If you want to condemn—

"Mr. McIlwraith repeated the question. No.

"Have you acted as agent for any merchant in Queensland? I have done nothing at all of an unbusiness character. I have acted in a private capacity in matters of private friendship, the same as anyone would do having friends abroad, but in no other capacity.

"You have not acted as a business agent? To no individual whatever, not one."

All he (Mr. Griffith) could say was this, that that was not, in his opinion, acting as a business agent; yet that was the only thing the Government could fasten on him. Mr. Smellie, on being examined, was asked question 2401—

"When did he commence to do business for you? Just immediately before he left Queensland to take the secretaryship in London. He and I drove down from Ipswich together; and I was impressing upon him the desirability of establishing a line of ships from the Clyde direct to Brisbane, at regular intervals. He stated, at the time, that the Government also desired that; but he thought there would be great difficulty in inducing ships to go round to the Clyde to load, for some considerable time, in consequence of so little freight coming to this quarter from Glasgow. I stated to him that I would do my best to enable him to induce a ship to go round from London to the Clyde, if possible; and I gave him power to put on board any vessel that was coming 100 to 200 tons of dead-weight—pig-iron and pipes, or any other heavy cargo we required. And, I also stated, at the time, that it was just as well to pay him a commission to do that part of our work as to pay our own agent in London. Mr. Hamilton then stated that he wanted no commission; all that he wanted was the power to enable him to put dead-weight on board ships in the Clyde, as an inducement to the ship-owners to send a ship round from London to the Clyde. If those were the terms, I told him, I would not have him do anything for me for friendship only;—I would ask no one to do my business without payment.

"How long did he continue to do that for you? He has continued ever since.

"Had there been no Clyde ships coming here before that? The intervals were too great; they were not definite;—there might be a ship once in three months, or once in six months."

"Did you employ him in any way to look out for rails for you, last year? No; there was no one knew that we were in the rail market but ourselves and our own agent."

* * * * *

"What was the nature of the business Mr. Hamilton did for you? That was the nature, as I have explained.

"Well, what did he do?—did he buy for you? I do not know whether he bought or not. I suppose, when he required 100 tons of dead-weight for a ship, he would send an order for 100 tons to a broker, and that broker would put it on board.

"Did I understand you, that he had a general authority from you to supply iron as dead-weight? He had a standing order from us to send 100 or 200 tons of pig-iron, or pipes, as dead weight, if it was required.

"By any ship? By any ship.

"That is, from Glasgow? Yes; from Glasgow.

"Were you in the habit of sending him specific orders? Yes, occasionally, we were.

"What for? The same goods.

"Then what remuneration did he get? He was paid 2½ per cent. commission.

"What would that come to on 200 tons? Oh! that would not come to much. I do not think the commission would come to £200 altogether, for six years."

If the Premier knew of the instance referred to by Mr. Smellie, it was his duty to have pointed it out. However, this was the only instance in which it was said that Mr. Hamilton's evidence was unreliable and contradictory, but he (Mr. Griffith) failed to see that even in this instance Mr. Hamilton had contradicted himself. Surely it did not follow that because a man was dismissed from the Government service he was unworthy of credit. In Victoria many good men had been dismissed from the Government service for no cause whatever, and here Mr. Hamilton was dismissed because he complained of the Government being defrauded. He did not wish to whitewash Mr. Hamilton.

The MINISTER FOR WORKS: You cannot.

Mr. GRIFFITH said that there was another point—namely, that in the report it was stated that Mr. Hamilton was contradicted by others. So he was. He was contradicted by Mr. Thomassen; but he did not think that was worth much.

The PREMIER: Look at the telegram from Mr. Macalister.

Mr. GRIFFITH said that he did not place the slightest reliance upon that, as Mr. Macalister, no doubt, got the information from someone else in the office, perhaps Mr. A. McIlwraith; in fact, it was no more reliable than the telegram received from Mr. Macalister about Mr. Hemmant. He complained that the committee formed an opinion on points which were not settled definitely, and as to which there was great room for doubt. They stated that the whole of the charges made or implied against the Agent-General and the Premier rested upon the unsupported evidence of Mr. Hamilton, who contradicted himself and was contradicted by others; and whose conduct was such that the Agent-General neglected his duty in not suspending that officer a year before his dismissal. In addition to the contradictions to which he had referred, Mr. Hamilton was also contradicted by Mr. Thomassen in respect to a conversation he had. He said that he met Mr. Hamilton in London, in the presence of some gentleman whose name he afterwards ascertained was Gott. He (Mr. Griffith) would call the attention of the House to Mr. Thomassen's statements in reference to Mr. Gott, if there was such a person. He

could do this by simply referring to the minutes of the proceedings of the committee, page 31 :—

"Message for the Honourable the Minister for Works—
"Brisbane.

"Passenger list steamer 'Orient' shows just arrived Adelaide Mister Gott witness who overheard conversation between Hamilton and me. Is inquiry closed or is it any good his proceeding Brisbane. Answer.

"E. S. THOMASSEN,
"Ibbotson, Bros.,
"British Machinery Court."

The minutes on the following day showed that the clerk of the committee sent a telegram to Mr. Thomassen, which was printed in the minutes as dated "December," but of course that was a mistake for October; and it was as follows :—

"Parliament House, Brisbane, 20 December, 1880.
"Addressed to E. S. Thomassen, Esq.
"Committee wish to examine Mr. Gott. Send him on by first opportunity.

"LAURENCE J. BYRNE."

On the 21st October Mr. Thomassen sent this telegram to Mr. Byrne :—

"Melbourne, 21-10-80.

"Byrne, Parliament House.
"Gentlemen proceeded Queensland. Will wire some banker introduce him your Committee. Send first letter about indecorous observations Honourable Perkins All others received.

"E. S. THOMASSEN,
"72, Nicholson-street."

Mr. Thomassen here said that Mr. Gott had proceeded to Queensland, and on the 27th October he sent a telegram as follows :—

"Message for L. J. Byrne, charge Select Committee Hemmant's Petition, Parliament House.

"Witness corroborating my conversation with Hamilton will probably not arrive in Brisbane until December. Is a Norwegian gentleman; independent fortune: cannot be coerced. Hearing unparliamentary conduct of Honourables Perkins and Griffith—latter proposing compel me undergo examination when my sickness certified to by two respectable Doctors of Medicine—former saying could buy any Doctor for a guinea—possibly will refuse seeing such members. But I shall have declaration taken on oath, not for Committee's but for satisfaction of friends and public. Will write Honourable Minister for Works. Communicate him this. Farewell.

"E. S. THOMASSEN,
"Melbourne Club."

Did anybody in his senses, after reading these four telegrams, believe that any such person as Mr. Gott existed? He for one did not believe it, and had no hesitation in saying that he believed him to be a myth. There was no such person. Like Mrs. Harris, "there never was no such person." He now came to the next person who contradicted Mr. Hamilton and that was Mr. McEacharn, and he contradicted him substantially in only one particular. The evidence on that subject was to be found on page 65, question 1266—

"By Mr. Griffith: You stated that Mr. Hamilton had some transactions in cement and glass and other goods. What sort of transactions were they? Three or four transactions in which the goods were purchased for joint account and shipped for joint account; the profit or loss to be divided between himself and myself. Those were transactions that were quite apart from the firm, as the firm did not ship on their own account; except on one or two occasions. As a rule we did not.

"Those were private transactions between yourself, as distinguished from your firm, and Mr. Hamilton? Yes. I think I could mention the goods. There was one shipment of saddlery that amounted, I think, to about £50. There was an invoice of glass, which I might ascertain from Mr. Muir—we consigned the glass to Muir, Warde, and Co.,—the value of which I do not remember. The cement, I think, came to Brisbane. I do not recollect the others; but there was not more than four or five such transactions."

Mr. Hamilton denied this. Mr. Muir was examined on the subject, as appeared on page 139, question 2438 :—

"By the Chairman: What is your occupation, Mr. Muir? Commission agent.

"By Mr. Griffith: Were you a member of the firm of Muir, Warde, and Co.? Yes.

"Did you ever receive a consignment of glass from Mr. McEacharn and Mr. Hamilton—not from that firm, but from those gentlemen? No; never from him.

"Mr. McEacharn nor Mr. Hamilton? No; never.

"Did you ever get a consignment of any goods from them? We had several consignments from Messrs. McIlwraith, McEacharn, and Co.

"I ask you, had you ever a consignment from Mr. McEacharn and Mr. Hamilton? No; never.

"Did you have any at all? No.

"I am not speaking, of course, of a firm, McEacharn and Hamilton. But did you ever have any transactions with those two gentlemen on joint account? No.

"Or act as agent for them on joint account? No.

"Did you ever receive a consignment of glass from any of those persons? I do not think so. I do not remember receiving a consignment of glass.

"Did you ever receive a consignment of anything? Yes. I remember receiving one consignment of cement, 150 casks; a consignment of tartans—tartan cloths; a consignment of what they call printing processes—something similar to the papyrograph. We had several consignments; but I do not remember receiving them all.

"From whom did you receive those consignments? From the firm of McIlwraith, McEacharn, and Co.

"Did you make arrangements about receiving those consignments with any members of that firm? There were some arrangements made with Mr. Andrew McIlwraith, when he was in the colony."

It was true that Mr. Hamilton was contradicted by Mr. McEacharn, but his evidence was supported and Mr. McEacharn's contradicted. This was the only contradiction, except that of the Premier, who did not believe what Mr. Hamilton said; but that did not go for much. Upon the evidence he (Mr. Griffith) had no hesitation in saying that the conclusion he came to—speaking in his place in the House, and speaking as a member of the committee—was that he did not think there was anything that had appeared in the course of the proceedings of the committee to throw discredit upon Mr. Hamilton's word. This was as far as anyone could go at the present time. Nothing had appeared in the proceedings before the committee to throw doubt upon the word of the witness. He might be wrong, but there was nothing to show that he was unworthy of credit. The same paragraph to which he was referring said—

"It should also be noted that the whole of the serious charges made or implied against the Agent-General and the Premier rests upon the unsupported evidence of this witness."

He (Mr. Griffith) maintained that there was not one single charge made that rested upon the unsupported evidence of Mr. Hamilton. The charges were of quite a different character, and the committee adopting that paragraph of the report could not really have apprehended what the charges were—made, implied, or involved—in the facts that came out in evidence. Whatever charges or doubts or serious clouds there were hanging over the London office, and perhaps over the Premier, they were certainly not resting upon Mr. Hamilton's evidence alone, but upon evidence that was undisputed, uncontradicted, incontrovertible, and which must be cleared up. The first complaint was that this Government, during the Premier's presence in England, purchased 15,000 tons of rails at a very high price—at a much higher price than they would have paid if they had waited a little longer; that the quantity purchased was larger than was necessary to purchase at the time; that the persons who sold these rails to the Government were persons with whom the London office never dealt for rails—persons of such a character—he did not mean disreputable character—but a firm of such a character that it was not desirable that the London office should deal with them, because they were not principals, and because the practice of

the office—and a proper and necessary practice it was—was only to deal with principals for rails, for the obvious reason that they could afford to supply them cheaper than speculators; that this being the usual practice of the office, by some means or other the Government were led to buy a larger quantity of rails than was necessary, not from makers, but from speculators, by means of which the colony paid an unnecessarily high price to the enormous advantage of the speculators, who were persons connected by the closest ties with members of the Government and with persons in the employ of the London office; that all this took place while the Premier was there. Briefly, this was the charge as it now formulated itself. At the beginning of the session perhaps they did not know quite so much as they knew now; but that which he had stated was now known, not upon the evidence of Mr. Hamilton—which might for this purpose be left out of consideration altogether—but by other evidence which clearly established the facts still remaining. The serious charge was that, by some means or other, the colony had been induced to spend this money, not for its advantage, but for the advantage of McIlwraith, McEacharn, and Company. He went so far as to say that if the Agent-General, in the absence of the Premier, had entered into a transaction of this kind, he would have most seriously compromised himself—whether he had compromised himself while the Premier was there he could not say. This, however, was the charge with respect to the rails, as everybody now understood it, and it did not depend in the least degree upon Mr. Hamilton's evidence. He (Mr. Griffith) would here point out that in order that these transactions should be successful, it was necessary that the speculators—who were not makers of rails, at a time when the rail market was in a very excited condition, when the price of rails was extraordinarily high—should tender at a price which would be reported by Mr. Ashwell to be lower than rails were likely to be for several months. The Premier could not possibly, with any apparent justification to the colony, buy rails without getting a report from the engineer as to what would be the probable price for some months to come. If these gentlemen who wanted to sell the rails had tendered a price higher than that, the transaction could not have been carried out. It was therefore absolutely essential that they—not the makers, but the speculators—should be in a position to tender below the engineer's minimum. He (Mr. Griffith) had only to say that, so far as he could see at the present time, any speculator who did not know anything about Mr. Ashwell's minimum would not have given a price far below the market rate. But they were just under Mr. Ashwell's minimum. It was no use to say this did not prove anything: it proved there was some extraordinary concert or connivance going on in the London office. It was said at the beginning of the session that he had accused the Premier of participating in the plunder: what he said was that the country had been robbed or plundered of a sum of money from £50,000 to £60,000 unnecessarily; and he said that, if the Premier had taken proper steps to inquire, in England, how it happened, he would have found out, and he accused the Premier of not finding out. He (Mr. Griffith) stated then that the only information he then had was what he had been told—viz., that the money had gone to the connections of the Premier. It now appeared that the money, however it was obtained, did go to gentlemen connected with the Premier by blood. He (Mr. Griffith) therefore said that all the statements made then had been proved, and more. He never suggested that the Premier got any money, and he did not intend,

while the subject was under inquiry, to state more definitely his conclusion. So long as he was satisfied there would be a full inquiry, he was content to leave it there until all the evidence that could be procured was forthcoming. So much for the rails. With respect to the freight, it was also said that the only charges suggested or implied rested upon the unsupported evidence of Mr. Hamilton. How could that be said with truth? Mr. Hamilton had given evidence of conversations with brokers, and, so far from that evidence being contradicted, it was actually confirmed by Mr. McEacharn and by Mr. Law, who said he was prepared to give fuller evidence when called upon to do so. How, then, did that matter stand? How could everything here depend upon Mr. Hamilton's evidence? Here was the fact that they were paying a price largely in excess of anything ever paid before, and, as far as the facts could be got at, it was owing to some arrangement between McIlwraith, McEacharn, and Company, and other people. What was the charge implied against the Premier and the Agent-General? As against the Agent-General, the charge, if there was any, was that he had weakly allowed himself to be managed by the firm of McIlwraith, McEacharn, and Company. This did not depend upon the unsupported evidence of Mr. Hamilton. That such things were done was plain; but on the point whether the Agent-General was to blame he (Mr. Griffith) did not then feel called upon to express an opinion. The same thing might have happened if the Premier had not been there; but the Premier was there. Let the House now hear the evidence at it stood—the evidence, not of Mr. Hamilton, but of Mr. McEacharn. Paragraph 38 of the protest made by himself and his hon. friends stated—

"Messrs. McIlwraith, McEacharn, and Company are the brokers for a line of ships called the Scottish line, which comprises eight ships, of which they are also the managing owners. The Premier and the Colonial Secretary are registered as joint-owners with Mr. A. McIlwraith of shares in six of these ships. The same gentlemen are registered as joint-owners of shares in four other ships which are sometimes advertised as belonging to the Scottish line, but which are said not to belong to that line in strictness. These shares are held by these gentlemen as trustees for Mr. T. McIlwraith's family. Mr. Ashwell is also the registered owner of shares in at least two of these ships."

The evidence to support this he would now refer to. On page 33 the House would find the list of the ships of the Scottish line, beginning at question 1219—

"We have in evidence the names of the 'Scottish Line.' This card, which purports to give 'The Scottish Line of Packet Ships to Queensland,' contains the names, first, of all the vessels beginning with 'Scottish,' numbering six, and the 'City of Aberdeen,' and also the 'Sir William Wallace'?" Yes.

"Then the 'Afton,' the 'Assel,' the 'Doon,' the 'Girvan,' the 'Garnock,' and the 'Irvine'?" Yes.

"Now, those last six ships do not belong to the 'Scottish Line'—they have only been taken in by charter-party? They have been taken in by charter-party, at various times; and one of those ships I do not think we have ever loaded at all."

Lower down, in answer to a question, Mr. McEacharn said—

"I produce *Lloyd's Register of British and Foreign Shipping*. From 1st July, 1879, to 30th June, 1880. In the 'List of Owners of Ships recorded in the Register Book—1st July, 1879,' page 50, column 9, is the following:—

"HUNTER, DAVID, AYR.

		Reg. Tons.
1 Afton	...	848
1 Assel	...	795
1 Doon	...	817
1 Garnock	...	877
1 Girvan	...	694
1 Irvine	...	655

"Page 50, column 2, this list, also, appears:—

"McILWRAITH, McEACHARN, AND Co., 34, LEADENHALL STREET, LONDON, E.C.

	Reg. Tons.
2 City of Aberdeen	569
1 Scottish Admiral	939
1 Scottish Bard	816
1 Scottish Hero	869
1 Scottish Knight	875
1 Scottish Lassie	852
1 Scottish Prince	895
1 Sir William Wallace	968

"Six of the last-mentioned ships on the card put in first [*Appendix K*] do not belong to the 'Scottish Line' ? Only those mentioned whose names begin with 'Scottish,' and the first and the last in the register list."

That was the list of the Scottish line of ships belonging to McIlwraith, McEacharn, and Co. And at page 118 this evidence was given.

Questions 2177 to 2189 were as follows:—

"Do you know the ships beginning with the word 'Scottish' ? Yes.

"They are called McIlwraith and Co.'s ships, are they not ? Yes.

"Are not you and Mr. Palmer registered as joint-owners of eight shares in the 'Scottish Bard' with Mr. Andrew McIlwraith ? Yes ; I think so.

"This is a list prepared or compiled by some people in the city. I do not know what they are. They may be agents, or solicitors, or brokers. [*Document handed to witness.*] Are not you and Mr. Palmer and Mr. Andrew McIlwraith registered as joint-owners of fourteen shares in the 'Scottish Hero' ? Yes ; I think so, I do not know how we are registered ; but I know that Mr. Palmer, Mr. McIlwraith, and myself, as trustees, hold fourteen shares in the 'Scottish Hero,' and I suppose we will be registered as owners.

"Are you registered in the same general registry as joint-owners of fourteen shares in the 'Scottish Knight' ? Yes."

"Are you not also registered as joint-owners of eight shares in the 'Scottish Lassie' ? Yes.

"Are you not registered as joint-owners of eight shares in the 'Scottish Prince' ? Yes.

"Are you not registered as joint-owners of eight shares in the 'Scottish Admiral' ? Yes.

"Are you not registered as joint-owners of eight shares in the 'Afton' ? Yes.

"Are you not registered as joint-owners of six shares in the 'Assel' ? Yes.

"Are you not registered as joint-owners of eight shares in the 'Garnock' ? Yes.

"Are you not yourself registered as owner of eight shares in the 'Doon' ? No ; those shares are held in the same way as the others ; by Mr. Palmer, Mr. McIlwraith, and myself.

"The shares in all these ships that I have referred to were formerly held by yourself, were they not : and transferred by you to the three gentlemen you say now hold them as trustees ? Yes ; they were all held by myself—I have no objection to give you the information—before being transferred to the three trustees, Mr. Palmer, Mr. Andrew McIlwraith, and myself."

Question 2192 was as follows—

"What is the nature of the trust upon which you hold them ? A trust for my wife and family."

It also appeared that Mr. Ashwell was the registered owner of shares in two of the ships—"Scottish Knight" and "Scottish Lassie." Now, what was the charge, if any, with respect to that matter ? The charge against the Premier was, that Messrs. McIlwraith, McEacharn and Company had got a highly advantageous contract by means of a combination in the office under circumstances which, it was admitted, required serious and further investigation ; and they were brokers and managing owners of a line of ships in which the Premier and Colonial Secretary were interested. Hon. members might call that a purely mercantile transaction. He did not. Cæsar's wife should be above suspicion, and it was not desirable that members of the Government should be interested in a line of ships which was connected in a most direct way with the contractors for the carriage of those rails. The Premier said he derived no advantage from some of those ships in which he was interested as a trustee for his own family ; but that was an entirely immaterial distinction. One of

those ships, the "Scottish Knight," he noticed, had had to put back to Plymouth with a cargo of those very rails. Seeing those things he called it a very serious charge, and to say that it rested on the unsupported evidence of Mr. Hamilton was nonsense. Mr. Hamilton gave no evidence on that subject. The only evidence on the subject was that McIlwraith, McEacharn, and Co. entered into the contract, and the evidence of the Premier and Mr. McEacharn with respect to the ownership of the vessels. The other charge contained in the petition was with respect to the ship "Scottish Hero." Paragraph 27 of the committee's report stated—

"It is in evidence that the Premier and the Colonial Secretary are, as trustees, registered shareholders in the 'Scottish Hero' and other vessels which have been employed in the conveyance of emigrants under a contract entered into between Messrs. McIlwraith, McEacharn, and Co., and the Government of Queensland, in December, 1878 ; but as the evidence also shows that though shareholders in those vessels they have no interest, direct or indirect, in such contract, and do not participate either in its profits or losses, your committee are of opinion that the allegation that the Premier and the Colonial Secretary are Government contractors has not been sustained."

From that statement the minority of the committee dissented. It had been pointed out by the Supreme Court of the colony that the fact that they had no interest direct or indirect was immaterial. The committee said that as it appeared on the evidence that they had no interest in the contract, they were not Government contractors. But according to the decision of the Supreme Court that was quite immaterial. The question whether the Premier and the Colonial Secretary were liable to penalties was a different one, and was a matter with which the House was not concerned. The facts, from his point of view, were set out in paragraphs 42 to 44 of the protest, and he would call attention to them, because it was a matter upon which no further inquiry could be held. He took for this purpose everything stated by the Premier to be strictly correct, and from the facts elicited it appeared that either the Premier and the Colonial Secretary were contractors, or else they had allowed McIlwraith, McEacharn, and Company to violate their agreement with the Government in order that they might not be contractors. Paragraph 42 of the protest was as follows:—

"On the 24th of December, 1878, an agreement was entered into between McIlwraith, McEacharn, and Company and the Agent-General for the conveyance of emigrants to Queensland, one of the conditions of which was that every ship should sail under the terms contained in a printed form of charter-party annexed, and that this printed form should be deemed to be a part of the agreement. This form of charter-party is expressed to be made 'between the Agent-General of the one part and hereinafter referred to as the party of the second part, for and on behalf of the owners of the ship ' of the other part.' The Government thus stipulated that they should in every instance have the advantage of the direct responsibility of the shipowners. A previous agreement had been made between the same parties in 1875 which appears to have been made in precisely similar terms."

The evidence in support of that statement would be found in the articles of agreement, the 4th paragraph of which was as follows:—

"The said emigrant ships shall be considered respectively at the times of their several sailings, and during the continuance of their respective voyages, to sail in all respects under the rules, terms, conditions, and instructions contained in the printed form of charter-party hereunto annexed, marked Z, together with the eight several schedules marked A, B, C, D, E, F, G, and H printed thereunder, in the same manner as if a charter-party had been executed in respect of each separate voyage ; and also under and subject, during each of such said voyages, to the printed rules and regulations contained in the instructions to surgeon-superintendents of Queensland ships sailing under the directions of Her Majesty's Government of Queensland, a printed

copy of which is hereunto attached, marked X. And it is hereby agreed and declared that such printed form of charter-party, and the eight several schedules thereunder written, and such printed copy instructions to surgeon-superintendents, shall all respectively be, and be deemed to be, part of and incorporated with these presents."

That charter-party was made between the Agent-General and the owners of the ships, so that in every case the Government had the advantage of the direct responsibility of the shipowners. Mr. McEacharn said the previous agreement was exactly to the same effect. In paragraph 43 of the protest they went on to say—

"Under the agreement of 1878, Messrs. Mollwraith, McEacharn, and Company employed the 'Scottish Hero,' one of the Scottish line; and in accordance with the agreement executed a charter-party in the prescribed form, 'for and on behalf of the owners of the ship.' The Premier, with the Colonial Secretary, and Mr. A. Mollwraith, were the registered owners of fourteen shares in this ship, as trustees under the circumstances already referred to. It appears, therefore, that a contract, which was in form between the Agent-General and the Premier and Colonial Secretary (amongst others), was duly executed, and that the ship 'Scottish Hero' could not, without the execution of such a charter-party, have been employed in conveying emigrants, except by a violation of the agreement."

He had already read the evidence on that point, and he did not see how it could be controverted. Hon. members might think there was nothing in that. He again thought there was a great deal in it, and, as he had said before, Caesar's wife should be above suspicion. He could not understand the temper of hon. members who thought those were matters to laugh at. It seemed to him to be a very serious matter indeed that members of the Government should be, in form at any rate, contractors with the Government, according to undisputed facts resting on documentary evidence. The owners of the ship were interested in having the ship employed, although it was not necessary that their remuneration should be exactly the same as that of those who chartered the ship. The contract was made on behalf of the Premier and the Colonial Secretary, among other people, with the Queensland Government. That contract was printed, and was part of the proceedings of the House, and yet, in face of that, the committee reported that they were not Government contractors. He felt bound to enter his protest against any such conclusion. He did not think it necessary to refer to the other facts mentioned in the protest, except to say that he objected to the committee being appointed, but that it having been appointed the committee was bound to set out everything that had been clearly established, and upon matters not clearly established they might very well have suspended their judgment. The committee, by the casting vote of the chairman, had given findings which, he thought, were not borne out by the evidence. Upon that the House and the public would judge in the course of time. Upon other facts that were established by uncontradicted evidence the committee's report was silent, and upon that they put in a protest setting out, as far as they knew it, how the thing was done—how it was arranged in the London office that those rails should be palmed off upon the Queensland Government. There was another piece of evidence to which he wished to call attention, and he mentioned it specifically because it might be disputed, and that was that by those transactions the colony lost a lot of money. With respect to that there could be no two opinions among impartial men. He would simply quote from Appendix LL—

"Steel rails remain dull as regards the open market, although several of the larger mills are still fairly employed. Most of their production is now on optional orders placed within the year by home railway com-

panies. The export demand is relatively light, but there is stated to be a disposition to do business for forward deliveries, the current low prices, £5 15s. to £6 f. o. b., being an inducement to buyers to close.—*The Ironmonger*, 28th June, 1880.

"Steel rails rose in price to £9 15s. in February, this being due for the most part to the inflation in the value of steel-making ore and hematite pit, but partly also to competition of buyers for early delivery. Indeed, prices as high as £11 per ton were quoted, but except for small quantities and special sections no real business was transacted at these rates. At the beginning of July the price for large quantities of heavy steel rails had fallen to £5 10s. per ton, but numerous large orders have since been given out, and prices are now higher and firmer. The demand for steel tram rails also increases; sections are heavier than formerly; and though individual orders for these are generally smaller than for the permanent way of railways, the aggregate sales are large enough to influence considerably the market price of all kinds of rails.—*Iron Trade Circular (Ryland's)*, 24th July 1880.

"The best proof that can be given as to the general faith that things are about as low as they can be will be found in the eagerness of railway companies to place orders for steel rails at current rates. I informed you last week that the Great Northern Company had given out contracts for 20,000 tons, the price being £5 10s. at the works.—*The Engineer*, 25th July, 1880."

There were three respectable independent periodicals giving the state of the iron market in June and July. If the Government had only taken advantage of the market as other people did, they would have bought rails for £6 or £7 a-ton, instead of £10 a-ton. The transaction was hurried on by Mr. Ashwell's statements and letters. On the 19th December the Haslam Company wrote—

"Should you at any time be in the market for rails of any section, we shall be very glad to quote you or any of your friends. The working arrangements we have are such that we can execute orders on a very large scale at reasonable prices. The quality is first-rate."

From that, innocent people would suppose that they were rail-makers, and that their arrangements were for the manufacture of rails. The result of that letter was that they were allowed to tender, although Mr. Ashwell, writing to the Agent-General on the 3rd April, said that the tenderers nominated were—

"Firms who are or have been on the Government books for some years, and are known to be firms whose work can be fully relied on; and, beyond a list usually submitted for your approval, no action is taken by me, the power of adding to or reducing the number of tenderers being exercised by you. In this case the usual list was submitted, and the position and standing of the various firms were fully discussed, and the position of the rail and steel market fully discussed, and the absolute necessity of asking only such firms who were in a position to supply and who were in possession of their own ore for Bessemer making was fully deliberated upon."

But the Haslam Company were never on the list for supplying rails, and had never tendered for any contract over £1,000, and they were not rail makers. Mr. Ashwell's letter was intended to completely cover up the whole transaction, instead of which it had disclosed it. Mr. Ashwell, who had shortly before been a shareholder in the company, knew that they were not rail-makers, and could not have made the statement without knowing all about the transaction. The whole thing was done clearly by the connivance of Mr. Ashwell. The inference he drew from the evidence as it stood was that they knew, before sending in their tender for £9 18s. 6d., that Mr. Ashwell was going to report £10 a-ton as the minimum for the next six months. That showed that the colony was got at in the Agent-General's office by the connivance of Mr. Ashwell and other persons. Taking that in connection with another letter where the tenderers intimate their willingness to reduce the price if necessary, there could be no doubt that they intended to get the contract at all risks. Three days afterwards the

Premier told the Agent-General that he did not like the price he would have to give for rails. The Premier's recollection at first was that he took several days to consider the matter before accepting the tender, that he directed Mr. Ashwell to make inquiries, and that the fullest investigation was made. However, the last tender, that of the Steel Company of Scotland, was made on the 23rd January, and on the 24th the Haslam Company's tender was accepted; so that instead of there having been three or four days for inquiry there could not have been a day at the outside. It was attempted to be made out that the Haslam Company was a highly respectable firm, and Mr. Ashwell had represented them to be large rail makers, and condemned Messrs Ibbotson as persons who ought not to be allowed to supply the colony with rails. Paragraph 14 of the protest stated:—

"In the printed report of the London Inquiry (p. 17) Mr. A. S. Haslam, the managing partner of the Company is reported to have said, 'We have also contracted for the Great Indian Peninsular Railway; there were steel rails in that contract. We have also contracted with the War Office for the supply of the Arsenal and for Woolwich Dockyard.' On reference, however, to the shorthand writer's manuscript of Mr. Haslam's examination, it appears that he stated that his firm had 'tendered,' not 'contracted,' in both these instances, and that the word 'tendered,' had been altered in pencil in the manuscript to 'contracted.' By whom the alteration was made does not appear."

If the company had supplied rails to the Indian Government they would be persons who might be dealt with without the suspicion that they were merely dealing with speculators. It was an extraordinary thing how the terms of the evidence had been altered. He would also quote question 2728 in connection with this point:—

"I observe that the question by you on the same page of the report of the London Inquiry, is printed thus:—

"'Mr. McIlwraith: Did you buy those rails at £6 and sell them at £10?'

"In the manuscript it is as follows:—

"'Mr. McIlwraith: It is possible you may buy these rails at £6, and sell them at £10?'

"Do you know how that alteration was made? No."

The change suggested an entirely different meaning. But those were only minor matters after all. Having pointed out the parts of the committee's report from which he dissented, he would now briefly refer to Mr. Hemmant's petition to see whether the allegations contained in it had been proved or disproved—

"That your petitioner has learnt that tenders were invited in January last by the Government of Queensland for the supply of 15,000 tons of steel rails, and for their conveyance from Barrow, Whitehaven, Maryport, or Workington, to various ports in the colony of Queensland."

There was no doubt about that.

"That your petitioner believes it to be the duty of the Engineer to the Government of Queensland in London (at the time referred to, Mr. W. H. Ashwell) to invite tenders for rails, advise as to their acceptance, and inspect the rails made before shipment."

That appeared also to be true.

"That your petitioner is informed that no invitation to tender was addressed to the Barrow Hematite Iron Co., or to the Moss Bay Co., or to many other makers of rails of equally high standing."

That was also a fact.

"That your petitioner is informed that the tender of the Haslam Engineering Co. (Limited) at £9 18s. 6d. per ton, was accepted, and your petitioner has ascertained by a recent inspection of the articles of association of that company at Somerset House, that it then consisted of eight persons, that its paid-up capital was £19,200, and that Mr. W. H. Ashwell was one of the eight shareholders, and one of the original directors—the company having been registered in 1876."

That was proved by the statement of Mr. Hamilton, who produced a copy of the entry made in

the register kept in Somerset House. The document in question would be found in appendix KK of the report—

"That your petitioner is informed that the Haslam Engineering Company are not rail makers, and your petitioner believes that the rails in question are being made for about six pounds per ton by firms who were not invited to tender, and that there are others interested in this transaction whose connection therewith it would be highly advantageous to the colony to ascertain."

With respect to the paragraph there could be no doubt that the Haslam Engineering Company were not rail makers; and that the rails were being made for about £6 per ton was proved by the evidence of Mr. McEacharn and other witnesses.

"That your petitioner is informed that, at the time the Loan Bill of 1879 was passed, the price of steel rails was about £5 per ton, and that in the month of September, 1879, the Government of South Australia concluded contracts at that price, and your petitioner believes that a contract on behalf of the Queensland Government could have been made at that time upon equally favourable terms."

The price at which the South Australian Government bought was the only point in that paragraph which had not been clearly established. He presumed the committee had not considered it worth while to get the necessary evidence.

"That your petitioner believes that the Government of Queensland was aware at that time of the state of the iron market, and that their neglect to avail themselves of the low prices then ruling has already cost the country over seventy thousand pounds."

There could be no doubt about that, as it appeared in the negotiations entered into with Mr. Thomassen: whether the mistake was a pardonable one was another matter.

"That your petitioner has learnt from one of the ship-owning firms, who was invited to tender for the conveyance of 15,000 tons of rails before referred to, that ship-owners were expressly informed that 'no tender would be considered except for full ships direct.'"

That appeared from the invitations to tender which were in evidence.

"That your petitioner is informed that rails can be carried by ships taking other cargo at considerably less price than they can be taken by 'full ships direct,' and that this condition was therefore an important one."

That appeared by all the evidence and by the report.

"That your petitioner is informed that the tender of Messrs McIlwraith, McEacharn, and Co., at 38s. 6d. per ton, was accepted, and that rails have been shipped by the following vessels under the provisions of their contract, viz., the 'Dumbartonshire,' 'Golden Russet,' 'Warwick,' and 'Garnock.'"

There was no dispute about that, and it appeared that there were three other vessels likewise employed.

"That your petitioner knows that none of these vessels are 'full ships direct' as required by the terms of the letter in which shipowners were required to tender, and your petitioner is informed that three out of the four vessels referred to do not belong to the line conducted by Messrs. McIlwraith and Co., and your petitioner believes that freights could have been arranged by the Government direct with the shipowners upon terms much more advantageous to the colony."

That that was a statement of facts appeared from the evidence of Mr. McEacharn. As to the belief that freights could have been arranged more advantageously, that was a matter upon which the House would form their own conclusions. He agreed with Mr. Hemmant. Then followed the allegations with respect to the "Scottish Hero":—

"That your petitioner has learnt that Messrs. McIlwraith, McEacharn and Co. are also contractors with the Government of Queensland for the conveyance of emigrants from this country to certain ports in Queensland, and that under the provisions of their contract the 'Scottish Hero' sailed from this country in the month of March, 1880."

"That your petitioner is informed that in all contracts for the conveyance of emigrants the contractor signs the charter-party for and on behalf of the owner of the ship.

"That your petitioner has learnt that at the time the 'Scottish Hero' sailed under contract with the Queensland Government, Messrs. Arthur Hunter Palmer and Thomas Mollwraith, both described as graziers, Queensland, were registered as joint owners in certain shares in that vessel, and your petitioner believes that both these persons are members of your Honourable House, and your petitioner respectfully submits that the interest which they have in this vessel, not to mention many others belonging to the Scottish line, constituted such a 'direct or indirect interest in a contract on account of the public,' as to disqualify them, under the Constitution Act, from sitting or voting in your Honourable House."

So far as that was a statement of facts it had been clearly proved by uncontradicted documentary evidence.

"That your petitioner is informed that Messrs. A. H. Palmer, Thos. Mollwraith, W. H. Ashwell, are registered as owners or joint owners of shares in several of the vessels sailing under contract with the Government of Queensland."

That also was proved. He had read over those allegations because Mr. Hemmant was in the early part of the session overwhelmed with a torrent of abuse for having drawn the attention of the House to those matters. Everyone of the allegations of facts had been proved, and whatever blame might possibly attach to others none could possibly attach to Mr. Hemmant. He (Mr. Griffith) was quite prepared to take any blame that might be attached to him in the matter. All the allegations relating to matters of fact having been proved, it remained to inquire into those allegations which involved other matters; and the committee had unanimously agreed that those allegations ought to be further inquired into. He hoped that if hon. members had anything further to say they would no longer abuse Mr. Hemmant, but pour out the vials of their wrath upon him (Mr. Griffith). He was quite prepared to bear it all, and he did not fear that any quantity they might have to expend would hurt him. With respect to the further conduct of this matter, hon. members ought to take up the position of not being yet in full possession of the truth. He had pointed out a great deal of evidence to show that many matters had not yet been clearly established. Hon. members should therefore bear in mind that it was possible that the statements which had been made, and the charges which had been made or suggested, might be true or might be untrue. Each conclusion was possible, and therefore hon. members were bound to stand in the position of not knowing whether the statements were true or untrue. Were the inquiry to be permanently cut short here he should feel bound to form his own conclusion upon such evidence as was at present available; but unless compelled to do so he should not wish to form conclusions upon matters of so great importance without the fullest information that could be got. If there was nothing in the charges it would be easy to disprove them, and the very fullest investigation could only result in fully clearing the characters of all persons implicated; and, on the other hand, if there was anything in them all the inhabitants of this colony, and a great many out of it, were interested in discovering the truth. The inquiry must be entered upon without any foregone conclusions or any foregone determination either to establish charges against any man or not to allow any evidence to be discovered bearing out charges against any man. It was necessary that the inquiry should be fair. He did not think the duty of reporting upon these matters should be delegated to any commission, but means should be taken to find out every-

thing, right or wrong. Those who were innocent could have nothing to fear, for it was quite impossible to suppose that any false charges could be established upon the evidence of such parties as Ibbotson Brothers, the Moss Bay Company, and the Barrow Company. It was of the utmost importance that the commission should insist upon ascertaining all the truth, and that was all he cared about. Until he was satisfied either that the whole truth had been ascertained or that the whole truth never would be ascertained, he should decline to form—except in a provisional manner liable to revision—any conclusion as to any fact with the exception of those matters which he had pointed out to the House. Upon the matters he had referred to there was sufficient evidence to allow of conclusions being arrived at. Hon. members did not care to know who had made money; they wanted to know whether, in the making of that money, any whom they were entitled to look to to protect and manage the affairs of the colony were to blame. If those to whom had been entrusted the affairs of the colony had acted to the best of their ability and knowledge, and without any knowledge of an unfair advantage being taken of the colony, then the country had nothing to complain of.

The PREMIER: Why did you not say that five months ago?

Mr. GRIFFITH said he had never stated anything to the contrary. But if the persons to whom had been entrusted the management of the affairs of the colony had assisted at or connived at the plunder of the colony, or at making the colony the victim of smart transactions of speculators—no matter who they might be—then the business of the House was to find out all the particulars, and take precautions to prevent such a state of things from occurring again. That being the state of affairs, he now asked for a full inquiry. The matter might be a very unpleasant one, but he hoped that whatever conclusion the Government might come to they would see that it was to their own interest and to the interest of the community that the commission to be appointed should be one which would most searchingly investigate these matters to the very bottom.

The MINISTER FOR WORKS (Mr. Macrossan) said the House and the hon. gentleman (Mr. Griffith) himself might be congratulated upon the altered tone of the speech just delivered, as compared with that delivered in July of this year. The hon. gentleman now stated that he would be satisfied with a full and searching investigation, and that he would draw no conclusions until the investigation had been concluded and the House had an opportunity of ascertaining the truth. Had the hon. gentleman simply stated that in July and acted up to it, a great deal of acrimonious debate, ill-feeling, and bad spirit engendered in this House by the violent and extravagantly absurd speech which the hon. gentleman made on the 6th or 8th of July would have been avoided. However, it was better late than never, and it was well that the hon. gentleman had come to his senses at last, and stated that he would be satisfied with a searching investigation such as the Government had always desired and desired still. There were no persons connected with the Hemmant petition who had so much interest in obtaining a full, free, and fair investigation into the allegations made or implied in that petition as the members of the Government—more especially the head of the Government. He was certain that when those charges were investigated in England, as he hoped they would be, the hon. gentleman would be exonerated from even the suspicion of being connected with rings and Sir John Macdonalds as the hon.

gentleman (Mr. Griffith) had suggested in July last. He was glad that the hon. gentleman had been so moderate and temperate in his speech, as his moderation would compel him (Mr. Macrossan) to be moderate likewise: seeing that the hon. gentleman had set so good an example he could not but follow him, and it gave him more pleasure to follow the hon. gentleman in that mood than in the mood in which he had addressed the House in July last, and on various occasions since. The Premier had stated this evening, immediately after the hon. member for Blackall moved the adoption of the report, that he was prepared to send home a gentleman from this colony to be associated with one nominated by the Colonial Office and appointed by the Government for the purpose of making this inquiry. The suspicion which existed in the hon. gentleman's mind at once broke out, and he immediately suggested that the Government intended sending home a member of the Government. That was the hon. gentleman's first suspicion, and he gave expression to it. He (Mr. Macrossan) did not believe that any member of the Government had ever imagined such a thing. He never had, and so far as he was aware none of his colleagues had. Why the hon. gentleman should have imagined such a thing he did not know, unless it were that if placed in the same position the hon. gentleman would have acted in that way himself. The hon. gentleman made a very long speech indeed; in some respects it was a rather able speech, though principally composed of quotations; but still all through one could hardly help seeing that the hon. gentleman was playing the part of advocate far more than that of a judge. He even admitted, in speaking of Mr. Hamilton's untruthfulness, that he had left it to the Minister for Works to point out the worst parts of the evidence.

Mr. GRIFFITH: No; I did not say the worst parts.

The MINISTER FOR WORKS said the hon. gentleman should have placed Mr. Hamilton before the House according to the evidence given, and not leave part of the task to him (Mr. Macrossan). It was a rather invidious task, and he would rather that the hon. gentleman had done it himself. Before he sat down he should be compelled to refer to that subject; and he believed he should be able to place the matter in a very different light from that in which it was placed by the hon. gentleman. He should begin where the hon. gentleman began when he traversed the report of the committee; and he should endeavour to show that the report which the House was asked to adopt was in the main correct, and that some of the statements in the protest were in the main incorrect. There were a great many minor matters which it was hardly worth while for the House to deal with at present. It would be quite sufficient now for hon. members to confine their attention to one or two important particulars. The chief things were the contract entered into for the supply of 15,000 tons of rails, and the contract entered into for the conveyance of those rails to the colony. In referring to those matters he should not imitate the speech of the hon. gentleman, whose address reminded one of a lawyer opening a case before a jury and relying upon evidence which was to come afterwards. The same thing was done at the beginning of the session and during the session—making charges, and then fishing for evidence to prove them. The better plan was to rely entirely upon the evidence and base conclusions upon it. The inquiry in England, he might state, would be prepared as the leader of the Government had stated. At a very early date he would make a

substantive motion. As the report recommended that the House should take such action as seemed to it fit, a substantive motion would be necessary so that the House should decide how the investigation was to be carried on.

Mr. GRIFFITH: The Premier did not say so.

The PREMIER: I said I should be prepared to name a gentleman to act on the commission at a very early date.

Mr. GRIFFITH: But not that you would submit a motion to the House.

The MINISTER FOR WORKS: If the report is adopted it could not be done in any other fashion.

Mr. GRIFFITH: I am glad to hear it.

The MINISTER FOR WORKS said that the report said distinctly as seemed fit to the House, and if the Government acted alone that would not be the conclusion arrived at by the House. The hon. gentleman began by traversing paragraph 4 of the report. It was there stated:—

"As one object of the Premier's visit to England was the purchasing of railway material, the Government would not have been justified had there been no contract with Ibbotson Brothers in taking steps to purchase rails before his arrival in England."

Presuming that hon. members had read the evidence, they had no doubt seen that the Government had determined, in sending the Premier home at the end of last year, that one portion of his duties was to be the purchase of railway materials. This was agreed to a fortnight or three weeks before the Premier left the colony, and before any conclusion had been come to with Mr. Thomassen on behalf of the firm for the supply of rails. Therefore, the contract entered into between himself (Mr. Macrossan) and Mr. Thomassen was not an affair which could bind the Premier in any way. He maintained that from the knowledge the Government had of the rail market in England at the time when the Premier left, and subsequently, they would not have been justified in taking out of his hands the work which had been delegated to him. It was more than probable that the Premier being on the spot, and knowing the condition of the iron market, would be in a better position, when Messrs. Ibbotson Brothers failed to ratify their contract, to enter into a contract than anyone here instructing the Agent-General would be. In connection with this paragraph the hon. gentleman (Mr. Griffith) and the two other gentlemen who were associated with him in the protest said—

"Whatever explanation may ultimately be given of this part of the transaction, it is quite clear that but for the hands of the Government being tied in this manner, the operations at their expense, which we have to describe, could not have been effected."

He (Mr. Macrossan) maintained that whether the hands of the Government had been tied or not, whatever took place would have taken place just the same, and that the Government would not have interfered, and would not have been justified in interfering in any way. He should show before he sat down that there was no connection between the operations referred to by the hon. gentleman and the fact of the hands of the Government being tied or not tied. The first important paragraph of the report which the hon. gentleman found fault with was the 8th, in which it was stated definitely that Mr. Andrew McIlwraith, between the 3rd and the 14th October, contracted for 30,000 tons of rails. The hon. gentleman seemed to deny that.

Mr. GRIFFITH: I don't deny it; I say it is only asserted.

The MINISTER FOR WORKS said the evidence stated that 30,000 tons had been contracted

for—10,000 tons by the Barrow Company ; 10,000 by the Moss Bay ; and 10,000 by a Continental Company, at the price of about £6 per ton. On that point the committee had evidence from both sides of the ocean. Mr. McEacharn distinctly stated that 30,000 tons had been bought at an average of £6 and sold for £9 and some shillings, and that he was to share the profits, and they had also the evidence of Mr. Andrew McIlwraith, from London, stating that the firm had secured 30,000 tons to help them through. They had letters and telegrams to prove the statement of Mr. McEacharn, and letters from Mr. Andrew McIlwraith distinctly stating that 30,000 tons were contracted for by himself to help them through, as he expressed it ; and yet the hon. member for North Brisbane traversed and denied the truthfulness of that paragraph, and stated that there was no positive evidence to support it. One reason he gave was, that telegrams said to have been mutilated were not mutilated, and that letters produced by Mr. McEacharn were produced in a mutilated form, certain portions having been excised. He would ask any hon. member who was a man of business whether it was fair and reasonable to ask Mr. McEacharn to produce his business letters in such a form that they would be included in minutes of evidence ? It was altogether unreasonable. Mr. McEacharn had produced more than he was entitled to produce, and he had said more than he was entitled to say. No committee had a right to force him to parade the statements and produce the papers he had ; and he (Mr. Macrossan) believed that, had the House been appealed to, Mr. McEacharn would have been protected. Mr. McEacharn had himself partly volunteered. He had submitted to gentle pressure ; but, before that, he had said he would be happy to give the information if the committee thought fit to compel him to do so. He objected to his affairs being made public, but he offered to show all his papers and telegrams to the chairman in confidence. As that was declined, the next best thing was to place the information before the committee in such a form that nothing could be made out against any individual whose name might be mentioned in it.

Mr. GRIFFITH : He offered to show them to me, but he never did.

The MINISTER FOR WORKS : The hon. gentleman did not ask.

Mr. GRIFFITH : I did, and was refused.

The MINISTER FOR WORKS said the hon. gentleman distinctly stated in committee that he wanted only what could be produced before the committee. That Mr. McEacharn fairly and justly refused to do. He did the next best thing, and produced the documents in a form containing sufficient for them to come to a conclusion on. In treating of that paragraph the hon. member did not go back to the beginning of the transaction, as he ought to have done. The hon. member began at the top of page 42, but he ought to have begun at page 41. The transactions and the correspondence between Mr. McEacharn and his principal in London commenced three or four weeks before the date which was quoted by the hon. member. On the 1st of September Mr. McEacharn sent a cypher telegram to his partner in London, in which he said—

"New railway to be constructed. Can you make a firm offer of for delivery, and at what price f.o.b. ? The quantity 20,000 to 30,000 tons, steel rails. Delivery over five years. Assortment as usual," That was where the transaction began.

Mr. GRIFFITH : I read that.

The MINISTER FOR WORKS said that Mr. McEacharn received a reply to a telegram

on the 6th September, and respecting the message Mr. McEacharn said—

"It was not correctly transmitted, and it was repeated from Port Darwin on the 8th. This is the translation of the message :—'Rails—We offer for delivery within twelve months 107s. 6d. Fastenings £11 15s. Impossible to extend delivery.'"

Upon that Mr. McEacharn based a tender to him on the 16th September for the supply of rails. At that time he (Mr. Macrossan) was negotiating with Mr. Thomassen—in fact, negotiations had been going on more or less for a month or six weeks previously with him. Mr. Thomassen had been in this colony and had gone away without anything definite taking place between them ; further than that, Mr. Thomassen said he would be willing to make an offer when the Loan Bill passed if he could see his way to do so in such a way as to suit his principals. The matter remained between Mr. McEacharn and his principal in the state mentioned until the 26th September, when Mr. Thomassen informed him that his tender had been accepted. On the same date Mr. McEacharn telegraphed to London saying—

"Ibbotson's tender is accepted. To be delivered here. We have secured freight room for 17,000 tons."

That telegram was mutilated when it reached London. The hon. member for North Brisbane ought to have admitted that.

Mr. GRIFFITH : I read it, mutilations and all.

The MINISTER FOR WORKS said that the hon. member had denied that the mutilations were of such a kind as to induce any misunderstanding of the telegram in London.

Mr. GRIFFITH : Hear, hear.

The MINISTER FOR WORKS said the hon. gentleman's statement, which by his "hear, hear" he acknowledged he had made, was just the same as saying that there were no mutilations. The mutilations were explained by Mr. McEacharn, who replied as stated to the questions put :—

"Did you receive any intimation in reply to that telegram ? That was received in London on 25th September—on the same date ; but it was received in this way, the code words not being correct :—

"Ibbotson's tender is accepted. To be delivered here, or at———. We have secured freight room for 17,000'———

tons, understood :—

" 'Brisbane, 30s.'"

A note is made of the word 'Tasmania :—

"This reads £26,000 ; but there must be a mutilation."

The word 'nothing' is translated :—

"The——— has been burnt to the water's edge."

"By Mr. Griffith : The word 'nothing' is a code word for something ? That is the word for 'ship so-and-so burnt to the water's edge.' It should have been 'northern,' and the last code word, you will see, was not sent at all."

That telegram must be taken in connection with the correspondence going on previously between Mr. McEacharn and his partner in London. Neither that telegram nor any other telegram sent at that time could be taken separately—they must be taken on the whole, or, if not, of course there would be a break in the history of the transaction. Mr. McEacharn was dissatisfied with Mr. Thomassen, as he could not make a definite agreement with him as to freight, and to make sure, in case that Mr. Thomassen's tender would not be accepted by the Government, he again wired to his partner in London, saying—

"Cannot arrange with Thomassen. Can you make a firm offer of 43,000 tons, twelve months delivery ; and at what f.o.b. Please keep offer open for fourteen days."

That telegram was fair enough. There could not be the slightest doubt that upon that telegram Mr. Andrew McIlwraith acted ; that he put himself into communication with people who could supply rails, and he wired, in answer to Mr.

McEacharn, offering 30,000 tons of rails at 132s. 6d., for delivery over twelve months. There was the transaction for the 30,000 tons of rails which the hon. member for North Brisbane disputed. There it was plainly enough, in the telegram which was produced before the committee, and which could not have been written with any ulterior object. It was a different thing to ordinary evidence, as an individual might shape his evidence according to circumstances—there was a telegram which could not have been written to suit circumstances, and which bore on the face of it proof of paragraph 8, which the hon. member for North Brisbane took exception to. On the 4th October Mr. McEacharn received the following telegram from London:—

“At your discretion we reduce offer made in our telegram of the 3rd October, eight shillings.”

That meant that the former offer of 132s. 6d. could be reduced 8s. at the discretion of Mr. McEacharn. He (Mr. Macrossan) did not know how the hon. member for North Brisbane could arrive at the conclusion that there was not sufficient evidence to show that on the 3rd or 4th October Mr. Andrew McIlwraith entered into contracts for 30,000 tons of rails—10,000 from the Barrow Company; 10,000 from the Moss Bay Company; and 10,000 from a Continental Company. After that they had evidence on the point from Mr. McEacharn which was distinct enough, and which was corroborated by the correspondence—he distinctly stated that the Barrow Company, the Moss Bay Company, and a Continental Company, the name of which he did not give the committee, were each to supply 10,000 tons. The transaction was clear enough to him, and it was so clear to him that he could not understand how the hon. member for North Brisbane, or any other member of the House, could imagine for a single moment that 30,000 tons of rails were not contracted for and that the paragraph was incorrect. There was a long cross-examination of Mr. McEacharn by the hon. member for North Brisbane, who tried to shake his evidence in every way as a skilful cross-examiner could, and perhaps ought to do under the circumstances; but the hon. gentleman failed in any single particular to shake the evidence given by Mr. McEacharn, who again and again repeated the assertion that there were 30,000 tons of rails contracted for to help them out on the understanding that Mr. McEacharn, in some manner or other, either by himself or jointly with Ibbotson, would contract to supply the Government with 43,000 tons. The whole thing was wound up in these words of Mr. McEacharn, “The fact is that it is a fortunate blunder”—meaning that the transaction was the result of a “fortunate blunder.” Mr. McEacharn was asked, “A blunder in what?” and he replied, “A blunder in regard to the telegrams.” He (Mr. Macrossan) thought there could be no doubt about that. He would now deal with paragraph 14, in which the statement was made—

“Your Committee have taken into consideration whether, supposing the rails supplied by the Barrow Hematite Co. were bought by Mr. Andrew McIlwraith as an agent of the Queensland Government, the Government have not a right to claim from McIlwraith, McEacharn, and Co. a sum equal to the difference between the buying and selling prices of the rails. There is, however, no evidence to show that he acted as agent, and your Committee cannot see in what way the Government can have any such claim. At no time had McIlwraith, McEacharn, and Co. contracted to supply the Queensland Government with rails, nor had the Government contracted to buy from them; and had the price of rails remained low or fallen, and Messrs. Ibbotson ratified the agreement entered into by their agent, the Queensland Government would in no way have been bound to take any rails off the hands of McIlwraith, McEacharn, and Co., who might thus have made a losing instead of a profitable transaction by their purchase.”

He thought there could be no doubt about that. At no time had McIlwraith, McEacharn, and Company agreed to supply the Government with rails, and at no time would the Government have been compelled to take any rails off their hands, whether the contract with Ibbotson Brothers had fallen through or not. There was no evidence to show that McIlwraith, McEacharn, and Company bought those rails in any way in connection with the Queensland Government. An attempt had been made by the hon. member for North Brisbane to connect this transaction with the visit of a gentleman to the office of the Agent-General some time last year, who asked, according to the evidence of Mr. Hamilton, whether the Government were in the market for rails. Mr. Hamilton said that gentleman asked three times if they were in the market for rails. The gentleman left his card in the office, but Mr. Hamilton did not know who he was, as in consequence of his (Mr. Hamilton) leaving the office hurriedly he could not find the card. That was a very slight peg indeed to hang upon any statement about the rails having been purchased in any way in connection with the Queensland Government. They had the special evidence of Mr. McEacharn, who said that the rails were bought on a general specification. He would quote Mr. McEacharn's evidence on the point. Question 986, put by Mr. Perkins—

“Are you acquainted with the mode of purchasing rails at home, Mr. McEacharn? Yes.”

“Now, will you explain to the Committee whether the rails were made at the time of your purchase, or whether they were to be made;—is it not a fact that you may make large purchases, and that none of the rails are made for some months afterwards? The rails are contracted for delivery, sometimes over three years; and, sometimes, contracts are entered into when the rails are never intended to be manufactured.”

“By Mr. Macrossan: And, as a fact, they never were manufactured? Certainly; the contract is entered into simply as a speculation.”

“By Mr. Perkins: There is no difficulty about altering the shape of the rails;—you may vary the shape, or you may buy rails, or make a contract to purchase and alter the pattern afterwards? Yes; but you would require to pay a higher price for varying the pattern.”

“Exactly? Rails are sold by weight. 41lbs. is the weight of the pattern used by the Queensland Government. They are made up to 80 lbs. A certain price is charged per ton for that weight; and when the specification is altered a higher price is paid.”

By Mr. Macrossan: When you buy rails, you do not enter into any specification at all? No; you do not enter into any specification. I know that 10,000 tons we purchased—I don't know about the others—were not purchased on any specification at all. I do not believe any of the others were purchased on specification.”

Now, with the rest of the evidence, that was conclusive enough. Questions 995 and 996, put by Mr. Griffith were answered by Mr. McEacharn as follows:—

“Do you mean not that you know they were not purchased by weight, or that you do not know? I do not know. I think, from the fact of my firm advising me that they would have to pay a higher price in order to meet the higher specification, that they could not have been purchased on specification. It is not usual to do so.”

“Then, how could your partner, in purchasing 30,000 tons of rails, in order to protect himself, be unaware of the sort that the Queensland Government were using? We can purchase them on any specification. You know it was only on the chance of our having contracted with Ibbotson Brothers. If he had been certain that our contract was with Ibbotson Brothers for the rails, he would have communicated with them and said—‘We have 30,000 tons; if you can get the other 13,000, that is all we want.’”

That evidence was corroborated by telegram No. 4, page 168, from the Agent-General, who stated—

“The following replies have been received to inquiries in accordance with your instructions. Barrow say ‘we are much surprised at contents of yours of yesterday. We have done business in rails for some years with Mr. Leonard Cooper, but have never sold him any weighing

more than fifteen pounds per yard and have never entered an order for him for more than twenty-five tons at any one time. Moss Bay say Cooper bought rails from us not for the Queensland Government but for principals who took risk of market. Sale was not based on Queensland Government specification at the time—that specification was not placed before us until a later period.”

That was conclusive and corroborative of the evidence given by Mr. McEacharn that the rails were not purchased for the Queensland Government either by agent or in any way. The paragraph of the report which he had quoted was fully borne out, he maintained, by the evidence of Mr. McEacharn and that telegram. He would now deal with the matter of the tendering for the supply of those rails. The hon. member for North Brisbane assumed right through his speech, as well as through the protest which he had lodged against the report, that the Haslam Company, because they were speculators, should not have been allowed to tender for rails. Mr. Ashwell pointed out a different thing altogether—that it was necessary to deal with principals who were able to supply their own ore. The usual way with the iron market was that when it was low or prices were changing men having money or credit made contracts for ore, and with the rail makers for the supply of rails, within stated periods at certain prices, depending on a rise in the market, when they went into it and undersold all other parties. So far from its being a fact as stated by the hon. member for North Brisbane in one paragraph of his protest, that they could not supply rails cheaper than manufacturers, it was a generally acknowledged truth that the speculators, who had loaded themselves with rails or with ore at the time when the market was low, were able to undersell the manufacturers when the market rose. It was the same in regard to every article of produce which was sold—it was not the manufacturer, the maker, or the grower who could sell the cheapest;—it was the man who speculated, and speculated wisely when the market was low, who could do so. He maintained that in calling for tenders for rails the Agent-General, independent of Mr. Ashwell—even supposing that gentleman had never been in the office—could not and would not have refused the tender of any man who tendered. The gentleman whom the hon. member for North Brisbane quoted as having written a letter in explanation of a contract which he had received from the London office without competition, stated as his strong point, in the letter which was published in the *Courier* a few days ago, that he considered he had a right to tender for any article in his trade ordered through the Agent-General.

Mr. GRIFFITH: But he does not claim that right for rails.

The MINISTER FOR WORKS said that any man who dealt in an article, whether he was the maker or not, had a right to tender to the Agent-General for the supply of that article. The Agent-General would have been guilty of a great dereliction of duty had he permitted anyone—whether speculator or maker—from tendering. But the Haslam Company were not the only company who were not railmakers who tendered. The hon. member for North Brisbane had himself entered into a contract with a company who were not railmakers and who never made rails.

Mr. GRIFFITH: No.

The MINISTER FOR WORKS said he held every member of the Government responsible for the acts of each. No member of the present Government would shirk the responsibility of the purchase of these rails or anything connected with them. It was unfair and unmanly of the hon. member to say “No” to a charge when he

knew that the Minister for Works of his Government did so. The Government of which Mr. Miles was Minister for Works contracted in this colony with Ibbotson Bros., who never made rails, and that contract had to be ratified in London the same as the contract he (Mr. Macrossan) made with Mr. Thomassen had to be. The contract entered into by Mr. Miles was altered in every material point in London before it was ratified by the Agent-General, and yet the hon. member for North Brisbane stood up and made a fierce attack on him and the Government, and accused him of something very wrong because he imitated the Government of which the hon. member was a member. The only difference between the contract entered into between himself and Mr. Thomassen and Mr. Miles and Mr. Thomassen was that one was ratified in London after alteration whilst the other was not ratified at all. The conditions of the contracts were the same in every respect in Brisbane, and the hon. member knew that. The hon. member knew that the 63 or 64 miles of rails required for the Maryborough and Gympie railway were contracted for by a firm who never made rails. The same firm tendered for the rails now in question, but were far beyond the ruling market price. He would now come to another point. The hon. member for North Brisbane said that Ibbotson Brothers were spoken unfavourably of as tenderers because they were not the principals. That was not the reason why they were spoken unfavourably of by Mr. Ashwell. The reason was, that the Ebbw Vale Company, with whom Ibbotson Brothers dealt for the supply of rails, used an inferior kind of ore, and that was the reason why they were not asked to tender. Spanish ores were inferior to the Cumberland ores, which were always used, if possible, for rails for the colony. As far as he had been able to ascertain, the only Spanish ores used in rails supplied to the colony were used in the manufacture of the rails for the Maryborough and Gympie line. Whether they would be found to be inferior or not he could not say—time alone would determine that. Any person had a right to tender for the supply of the rails—in spite of Mr. Ashwell, Mr. Hamilton, or anyone else—and if anyone had been lower than the Haslam Company he was confident they would have been entitled to the contract if they could have supplied sufficient proof to the engineer and to the Agent-General that they could supply rails made from a superior class of ore. It was useless raising the objection against the Haslam Company that they were not rail manufacturers, because every word uttered against that company by the hon. member for North Brisbane and his supporters was against themselves. It was a direct charge against themselves as a Government which had bought rails from a company who were not manufacturers. He would now refer to the price of the rails. Of course they were all very wise after an event, as all men became wise. They knew that the rail market was in a very excited state, that the price was very high; but prices had gone down twice and had risen again to a very fair figure, and were even now at £7 a-ton for ordinary rails, although they had been down less than that since the month of July. It had been stated that the price of these particular rails was above the average price of those supplied to the Queensland Government. He was bound to admit that the price was above the average of the few previous shipments, but he happened to have with him the prices of all the rails which had been supplied to the Queensland Government, and hon. members would see to what extent they differed. He had the price year by year from 1864 down to 1879, when these 15,000 tons were bought. The lowest price was £5 3s. 9d. a-ton, and the highest price during

that period was £19 2s. 6d. Now as much below the price paid to the Haslam Company was the lower price paid here £5 3s. 9d., so was a great deal higher the price paid—namely, £19 2s. 6d. by the late Government of which the hon. gentleman was a member. That was one lot of rails which the hon. gentleman, as member of the late Government, purchased. Another price during the same time was £9 17s. 6d.; another indent price was £11 17s. 6d.; another, £18 12s. 6d—all those were during the time the hon. gentleman was a member of the late Government. Another indent was £9 18s. 6d.; another, £10 2s. 6d.; another, £10. Now how much above the average price paid for rails by the hon. gentleman was this £9 18s. 6d.? When hon. members knew those things it put a very different face on the matter; and he (Mr. Macrossan) maintained from the list in his hands that £9 2s. 6d. was not above the average price paid for rails for Queensland, and was below the price of half-a-dozen indents paid by the hon. gentleman when in office. There was another indent of £9 16s., or only 2s. 6d. less than the present contract, but because it happened that for a year or eighteen months previous to the purchase of these rails the prices were low, the hon. gentleman got up and asserted that the prices paid by the Government were above the average: had the hon. gentleman taken the average prices since the colony commenced railway making, he would have found that such was not the case. Before going to the question of freights, which he would do shortly, he wished to state that the manner in which tenders for the 1,500 tons of rails was called was precisely the same as every other tender for rails had been called for, so far as he was aware, with one exception—there was only one indent out of all indents, of which he was aware, that was not dealt with in the same way, that exception being when a contract was let by the late Government for 2,000 tons of rails without calling for tenders at all. With that exception, the usual mode of calling for tenders had been adhered to—whether that mode was a correct one or not he would not pretend to say, not being acquainted with the general mode adopted by Government, but he thought it was a correct one. When they found that the mode in question was exactly the same in every respect, and when they bore in mind that any man who had a supply of rails had as much right to tender as the maker of rails, and when the price paid for those rails was not above the average price, he did not see where the indignation of the hon. gentleman came in. Now as to freights. The Government having called for a supply of 15,000 tons of rails, it became necessary in the interest of the Government that those rails should come into the colony, and the question arose which was the best way of calling for tenders for the conveyance of them. Mr. Hamilton said that the best plan would have been to have shipped them by whatever ships were coming out to the colony, and that whenever they accumulated they should have called for tenders. That was Mr. Hamilton's opinion, and that was how the colony had been supplied hitherto. But that was a way by which the Government were sometimes left without an adequate supply of rails to carry on the work of construction, and he (Mr. Macrossan) was in a position to state that through that very system of Mr. Hamilton's they were now actually short of rails for the Northern Railway, and he had been obliged during the past week to send up rails from Brisbane to prevent the works being stopped. If that was the system when only a comparatively small quantity of rails were required, how would it act now when there was such a large contract out as 15,000 tons—a contract larger than any they had had before. He might here reply to the hon.

member for North Brisbane's objection that they should not have called for such a large contract but should have waited till the market got lower. No one knew whether the market would get lower, but Parliament had sanctioned the construction, within three years, of several lines, and had the Premier called for tenders for what he (Mr. Macrossan) stated as his requirements, he would have called for tenders for 45,000 tons instead of 15,000 tons, or just one year's supply. That showed that the present Government were not so insincere in their intention to make railways as hon. members opposite had always accused them of being. Well, a contract for 15,000 tons was called for, and had the Government followed the usual system it would have taken six years to bring the number required for Townsville, calculating the usual number of vessels going there—four years to Rockhampton, taking the average number of ships, and two years to Brisbane. He would ask anyone with common-sense whether with a number of railways on hand, and with a determination to construct them as fast as they could, it would be reasonable to depend on such a system as that of Mr. Hamilton's? Then a great deal had been attempted to be made of berth-ships; but that, he maintained, was a question for the Agent-General—it was one that, so far as the Premier was concerned, he (the Premier) had nothing whatever to do with. He believed himself it would have been wiser to have had 2,000 tons of the Brisbane rails as dead-weight; but before they attempted to condemn the Agent-General they must hear him. He contended it was very unfair for the hon. gentleman opposite to stand up in that House and say anything against the Agent-General until he had been heard, and it was extremely unfair of the hon. gentleman to pool-pool the Agent-General, considering that at one time the Agent-General was his chief, and that the hon. gentleman himself was one of those who thought Mr. Macalister was worthy to send home as Agent-General. Yet the hon. gentleman now insinuated that the Agent-General had acted in the interests of McIlwraith, McEacharn and Co., and that he got his information for a telegram from Mr. Andrew McIlwraith.

Mr. MILES: We know all about it.

The MINISTER FOR WORKS said if that was the case, why did the hon. gentleman's Government make him Agent-General? He could only say this, that if he knew as much of anyone as the hon. gentleman seemed to know of the Agent-General, he would not put his hand to an Executive minute appointing him Agent-General. He contended that there was very good evidence that the concession rested with Mr. Hamilton. In spite of the insinuation thrown out against Mr. Macalister, he had more faith in that gentleman than to think he would send a false telegram. As a member of the committee, and as one who listened when Mr. Hamilton gave his evidence, he felt himself bound to believe that Mr. Macalister was right, and he believed he should be able to show that the character given to Mr. Hamilton for truthfulness was undeserved. In addition to the telegram sent by Mr. Macalister there was a letter from Mr. McIlwraith to his brother here, and also the evidence of Mr. McEacharn, and he (Mr. Macrossan) asserted that as Mr. Hamilton was in charge of the shipping office at the time he alone was responsible. Mr. Macalister could not be expected to attend to all the details of his office; and what was more, Mr. Hamilton was in the office some weeks after the Premier visited England, and thus had plenty of opportunity of bringing the matter under his notice. The hon. member for North Brisbane dealt with paragraphs 20 and 21 and

the charge arising out of them. It was this, that after Mr. Hamilton was dismissed, he went to the Barrow and Moss Bay Companies' works to make inquiries about the rail business, and he stated that at the Barrow works he was told by Mr. Smith, the managing director, "the Premier and Mr. Ashwell have been here before you on the same subject." It was very extraordinary that the hon. gentleman should have slurred that part of the report over in the manner he did, as it was really the most important point in the petition as far as regarded the Premier, as it contained the greatest charge that was supposed to have been made against him. Yet the hon. gentleman slurred it over and said he never supposed, till he saw that paragraph, that such was the intention of the statement made by Mr. Hamilton. He (Mr. Macrossan) must make bold to say, although it might not be parliamentary, that the hon. gentleman did not see it in any other way. He would point out that Mr. Hamilton all through his evidence took care to make charges against individuals which could not be disproved on the spot. From the moment the inquiry began, till the last day Mr. Hamilton was examined, he was a most cautious and cunning witness in answering questions;—whether here or in London he took care to shape his answers to suit the company he was in, and he took good care to shape his answers in such a way that they could not be disproved. Mr. Hamilton did not know that the Moss Bay Company would be telegraphed to, but he took good care to frame his answers in such a way as to have the effect of damaging the Premier—at least, such was his intention. But it now appeared from information received from that company that the Premier visited their works on March 24, although the Premier stated in his evidence it was on the 17th, reckoning on the day of the week by the English elections then going on; but how could the Premier have been making inquiries with a view to hush up a transaction a week before the transaction was entered into? The charge implied by Mr. Hamilton—for that gentleman always denied having made any charges—was exactly one week before the Premier visited the Moss Bay Works, and yet the sum total of Mr. Hamilton's evidence was, that the Premier had visited the Moss Bay Company's works for the purpose of looking up this matter. He was sorry that the addition he (Mr. Macrossan) had suggested to that paragraph of the report had not been adopted—namely, that "Mr. Hamilton's statement as regards this matter falls to the ground." If Mr. Hamilton's evidence was only confined to that one point it would be sufficient to stamp it as unreliable. He would now come to clause 23, and in doing so he should also deal with clause 17, which the hon. gentleman opposite had passed over most adroitly. The hon. gentleman took exception to the remarks made about Mr. Hamilton in the report—namely:—

"Part of the evidence given by Mr. Hamilton is hardly credible, supposing the Agent-General to be sane, while in the evidence before your committee he departs in two very important particulars from what he gave at the inquiry into the London office. It should also be noted that the whole of the serious charges made or implied against the Agent-General and the Premier rests upon the unsupported evidence of this witness, who contradicts himself and is contradicted by others, and whose conduct in the London Office was such that your committee believe the Agent-General neglected his duty in not suspending his Secretary a-year before his dismissal and reporting him to the Colonial Secretary."

The hon. member for North Brisbane admitted the latter part of the paragraph, but denied the other portion. But he (Mr. Macrossan) would take the trouble to read some portions of the evidence to prove that the statement made in that paragraph was correct, and he thought he should be able to show that Mr. Hamilton, in more

particulars than one, was not to be relied upon. The hon. gentleman had admitted that Mr. Hamilton stated in London that he never received any commission, and that in his evidence here he admitted that he had received commission; but like the girl who was accused by a minister of having made a mistake she said it was only a little one. The hon. member had endeavoured to get over the difficulty by saying that all Mr. Hamilton had received during six years was £200, but that little thing was quite sufficient to prove that Mr. Hamilton's statements were not trustworthy. Mr. Hamilton did not, for his own sake, try to explain the discrepancy between his evidence given here and that given in London, but made a statement in extenuation which was further untruthful. He was asked by the chairman, question 646—

"How do you reconcile the answer you have given to Mr. Macrossan with the answers you gave in the London office? He asked if I was acting as agent for anyone; I do not reckon it as acting as agent for anyone."

"There is one question, in page 12 ['Inquiry,' &c.]—

"Have you ever done work, and received remuneration for work done for any other individuals or firm?—Your answer to that was, in effect—

"None whatever."

Now you admit that you have. You said, No? [No answer.]

"Will you give a general denial of ever having received any commission or of having acted for any other person in buying goods or consigning them on commission to the colony?—why did you not explain to the London office as you have done to us? [No answer.]

"Another question is specifically—

"Have you bought goods on commission, and consigned them to the colonies on commission?"

You answer distinctly—

"No."

"You have done the same here to-day, with a proviso? The fact is, in the London Office, when Mr. McIlwraith asked me a question, I was prepared to explain in precisely the same way I mentioned. You see, I say:—

"I have done nothing at all of an unbusiness character; I have acted in a private capacity in matters of private friendship, the same as anyone would do having friends abroad, but in no other capacity."

I was proceeding to explain the matter when I was stopped by Mr. McIlwraith.

"You did not think it necessary, for your own honour's sake, to insist upon the explanation going down? Well, I did not think my answer involved any untruth."

He had shown how far that portion of the witness's evidence bore out or conflicted with the evidence in the London office, and thought he would be able to prove that this statement was untrue as well as the former. This was the gentleman who said he was prepared—ready and willing—to answer but was stopped by Mr. McIlwraith. Let hon. members listen to this, on page 12—

"Mr. McIlwraith: Have you bought goods on commission, and consigned them to the colonies on commission?"

"Mr. Hamilton: No."

"Mr. McIlwraith: Have you supplied goods for which you have been paid commission by merchants in Queensland, or any other colony?"

"Mr. Hamilton: I do not think it necessary to answer any further."

This was the answer of the truthful gentleman who was bursting to make a statement to Mr. McIlwraith—only he was stopped? Here it was in evidence that this person had actually refused to answer the question, and yet this was the kind of witness upon whom the hon. member for North Brisbane—and other members, he was sorry to say—relied for proof of certain statements, allegations, and implications of a most serious character. Mr. McIlwraith, however, repeated the question, and Mr. Hamilton said "No"—

"Mr. McIlwraith: Have you acted as agent for any merchant in Queensland?"

"Mr. Hamilton: I have done nothing at all of an unbusiness character. I have acted in a private capacity

in matters of private friendship, the same as any one would do having friends abroad, but in no other capacity.

"Mr. McIlwraith: You have not acted as a business agent?"

"Mr. Hamilton: To no individual whatever, not one."

He would ask hon. members whether that evidence bore out the statement made in cross-examination by the chairman of the committee, as to his being stopped by Mr. McIlwraith. The fact was Mr. McIlwraith tried to get the thing out of the witness by any possible means. He put it to him in a dozen different shapes, and yet this truthful gentleman always adroitly avoided it. Nobody knew better than he that Mr. Smellie was not in London at that time; but when Mr. Hamilton came to Brisbane, and it crossed his mind that Mr. Smellie was here, and that he might be obliged to tell the truth, he did tell the truth, but in telling it actually told an untruth in trying to save himself. This witness, who, as the hon. member said, was speaking upon his oath, if he was in a court of justice and literally speaking upon his oath should have been, and no doubt would have been, tried for perjury. Let the House now glance at a little more of the evidence of this witness. He began his history of the transactions in the London office by giving a certain date to commence with—namely, the sailing of the "Ellen Goodspeed," in October, 1878. It seemed, according to what Mr. Hamilton stated, that all the troubles between him and the Agent-General began with the sailing of this vessel, and he tried if possible to have everything wrong that took place in the Agent-General's Office, and the difference of opinion between him and Mr. Macalister, dated by it. But even here Mr. Hamilton contradicted himself, saying there was no difference of opinion; then that there was difference of opinion between him and the Agent-General; then he censured Mr. Macalister for having done a certain thing, and, when pressed by him (Mr. Macrossan), he acknowledged that he never knew the particulars of the case at all. After quoting the case of the "Ellen Goodspeed" against Mr. Macalister in the strongest manner, he was bound to admit—simply because he (Mr. Macrossan) had the whole of the documents in his hand—the contrary of what he said in London; and he (Mr. Macrossan) therefore had to convict Mr. Hamilton of telling an untruth. Finding that he (Mr. Macrossan) was armed with documents that would leave no loophole for escape, Mr. Hamilton was obliged to admit that he knew nothing of the matter connected with the sailing of that vessel. Then he tried to fasten another charge. Of course the member for North Brisbane and this witness understood each other very well. Anyone who was in the committee room could see that the hon. gentleman knew perfectly what evidence Mr. Hamilton was going to give. If they had not had interviews previously, they knew each other very well.

AN HONOURABLE MEMBER: They had an interview the first day he landed.

The MINISTER FOR WORKS said he was quite certain that any member of the committee who watched Mr. Hamilton, as he did, could see the alacrity with which the answers were given when the hon. member for North Brisbane asked for them. Indeed, in some cases, the answers were given before the questions were fully asked, so much so, that the Shorthand Writer had several times to complain that time was not given, because both the hon. member and the witness were talking at the same time. If he (Mr. Macrossan) cross-examined the witness the case was then immediately different. Mr. Hamilton held his head up, pretended most solemnly to think, but, somehow, his memory never served him upon

1880—4 s

any point; whatever was asked him he could not recollect, he could not charge his memory, he could not remember, and often took two or three minutes before he could answer at all. In connection with the sailing of the "Ellen Goodspeed," Mr. Hamilton made a charge against Mr. Ashwell, out of which one or two untruths were told. He stated that Mr. Ashwell discontinued sending monthly reports about the time of the sailing of the "Ellen Goodspeed." According to him, the sailing of this ship was the date of a wonderful conspiracy, hatched in the London office, for the purpose of defrauding the Queensland Government, and it must be consoling to the hon. gentlemen opposite to know that if this conspiracy really did occur it occurred at the time when the hon. member for Maryborough and the hon. member for North Brisbane were in office. The discontinuance of the sending of Mr. Ashwell's reports was proved by him, by documentary evidence, to have taken place two years before the "Ellen Goodspeed" sailed; and when Mr. Hamilton was asked whether he did not write to the Commissioner, he said he never did in his life. At the next meeting he (Mr. Macrossan) produced a letter to the Commissioner, stating that Mr. Ashwell desired to know whether his reports were wanted or not, and upon this letter was a memorandum by the Hon. George Thorn, signifying that the reports were unimportant and not required. On this statement Mr. Hamilton wanted to have an implied charge against Mr. Ashwell—to the effect that at the time he quarrelled with Mr. Macalister, Mr. Ashwell and Mr. Macalister were combined together to defraud the Government. He (Mr. Macrossan) wanted hon. members to remember these facts particularly. Then came this card trick, if he might be allowed to call it so, which was mentioned by the hon. member for North Brisbane, touching the gentleman who called at the office to inquire about rails. Of course the implication was that Andrew McIlwraith, or someone on his behalf, came to the Agent-General's office inquiring whether the Queensland Government were in the market for rails, so that they might make a haul; that was to say, this would be so supposing Mr. Hamilton's statement was correct. According to this statement, a gentleman some time last year called at the office inquiring for rails, and when asked he could not tell his name. Mr. Hamilton said he could not find his card. The whole thing rested on the mystery attached to the gentleman whose name was not given, because the card upon which it was written was not to be found. Mr. Hamilton's explanation was, that he was bundled out of the office so suddenly that he had not time to collect his papers. When Mr. Hamilton was cross-examined by him (Mr. Macrossan), he was bound to admit that he was not bundled out of the office hastily, but was there from Monday morning till Saturday night—six days from the time he received notice of dismissal. He wrote letters in the office, and had quite time enough to gather up 50,000 cards if he had wished to do so. Therefore, his evidence in this was not more truthful than in other particulars. Mr. Hamilton tried to leave the impression on the minds of the committee—and would have done so had not he (Mr. Macrossan) prevented him—that the mystery of this gentleman with the card could never be cleared up. Supposing, however, that the statement was true that a gentleman had called inquiring about rails; what was there in that? Rails were low. It was known all over the world by people who read the newspapers that the Queensland Government were going in for a great number of railways. Other colonies were doing the same, and why should not men with money and intelligence speculate in rails? They had it in evi-

dence that Mr. Smellie, the chief ironfounder in Brisbane, was in the market for rails. He wanted to buy 20,000 tons of rails, and could have got them, but not at the price that would have suited the Government, because Mr. Thomassen actually frightened him from proposing to supply the Government with rails because of the low price at which he could offer them. Yet Mr. Smellie did not make rails; he was, however, what had been termed a speculator, and supposing he obtained the tender from the Government, and was able to sell rails at a lower price than other tenderers, would they have been justified in refusing his rails because he did not make them himself but was only "a speculator?" The thing was absurd on the face of it. Again, Messrs. Parbury, Lamb, and Company, another Brisbane firm, were in the market, actually had rails, and offered them to the Premier. Another firm offered rails to the Premier and they were not rail makers, but, as the hon. gentleman opposite had said—speculators. Yet because a man had common-sense and commercial acumen to foresee a rise in the price of rails, he was to be debarred from the advantage which he derived from his common-sense and position and money, and was not to be allowed to tender for rails because he did not make them. The thing was so absurd that it was only sufficient that it should be known to see on the face of it that any charge founded upon a fact of that kind must fall to the ground. This commission business he (Mr. Macrossan) would follow a little further, and would read some of the evidence, as the hon. member for North Brisbane had done, of Mr. Muir. Of course the hon. member for North Brisbane was acting as Mr. Hamilton's advocate, and left him (Mr. Macrossan) to tell the truth about it.

Mr. GRIFFITH: I said you might supply anything I omitted, and correct me if I was wrong.

The MINISTER FOR WORKS said he did not complain of the hon. gentleman being wrong, but of only telling half the truth. Mr. Hamilton said he never acted as commission agent for anybody. That was proved to be untrue, and it could be proved in the case of Mr. Muir that he acted as a business agent for him. Although it was not in evidence that he received commission, very few hon. members would believe that he did not. Mr. Muir was examined and cross-examined, and the member for North Brisbane examined him closely about the invoices which had been quoted; and in further cross-examination Mr. Muir was asked in question 2485—

"Then the Committee are to understand from you that Mr. Hamilton went about the country introducing your firm gratis? I do not know whether he went about the country or not; although I know we received certain consignments from certain firms in the old country owing to Mr. Hamilton, who was a friend of mine, mentioning our name.

"How long have you been in business, Mr. Muir? Since 1870.

"Do you not know it is usual, when a man introduces a firm for business, to get a commission on it? It is.

"Have you any doubt in those cases that Mr. Hamilton got commissions—if he did not get them from you, from the firms he introduced you to? I do not know.

"Have you any doubt about it?—is it not the practice? It is the practice, I believe.

"Have you any doubt about it? I have none. I do not believe Mr. Hamilton received one farthing from any of those firms."

The witness thus described what was the practice, in answer to Mr. Perkins, who had questioned him very closely upon the point. But Mr. Griffith went a little further, and no blame to him probably. In his attempts to exonerate

Mr. Hamilton, the following questions and answers were given:—

"You say it is the practice for a man to receive commissions. Whom does he receive them from—who pays the commission—the consignee or the consignor? If I was introducing a firm to another firm, and business resulted, I should expect a commission. But I don't think Mr. Hamilton received any.

"But who pays it; the consignee or the consignor? The party who ships the goods.

"Would pay the commission? Should pay the commission. The party who ships the goods. All I know, I never gave any."

That was all the witness knew; he knew what was the practice; he thought Mr. Hamilton as his friend did not receive any commission, but he could not say for certain, except that he himself gave him none. Let any hon. member ask himself whether it was likely that Mr. Hamilton went about the country introducing Mr. Muir's firm without getting a "little"—as he put it—2½ per cent. Mr. Hamilton might have done a "little" for friendship, but he never went about the country in that matter for nothing. The member for North Brisbane in dealing with the paragraph in connection with the working of the London office, said he did not know any other important particular but one, in which Mr. Hamilton departed from the usual course. Mr. Hamilton said at the London inquiry that Mr. Ashwell was a shareholder and director in the Haslam Engineering Company, and Mr. McIlwraith asked—

"After seeing reasons for departing from the usual course, and asking certain firms to tender who had never been asked to tender before, you did not think it your duty to give your reasons for taking that course, either to the Agent-General or to Mr. Ashwell?

"Mr. Hamilton: I did not. No.

"Mr. McIlwraith: You say Mr. Ashwell is a director in the Haslam Engineering Company; when were you aware of this fact?

"Mr. Hamilton: I became definitely aware of it, I think, about ten days ago.

"Mr. McIlwraith: When were you aware of the fact that Mr. Ashwell was a shareholder in the Haslam Company?

"Mr. Hamilton: At the same time.

"Mr. McIlwraith: You were not aware of these facts till the ten days ago which you refer to?

"Mr. Hamilton: It was mentioned to me first of all in a certain indefinite form; it was mentioned in a way that I could not know it definitely; but it was again brought before me in a printed form, and I went to Somerset House and looked for myself, and found it stated there. That is about ten days ago, or a little more."

This was on the 2nd April. Of course they could understand the object of the Premier in questioning Mr. Hamilton so closely about this fact, which was that if Mr. Hamilton knew Mr. Ashwell to be a member of the Haslam Engineering Company at the time he was to report upon the letting of the contract for rails he was culpable in not informing the Agent-General of it; but Mr. Hamilton very carefully took the precaution of saying that he knew it only ten days before the 2nd April. Yet, what did he say in his evidence in Brisbane? The same grounds for precaution did not then exist. Mr. Hamilton had been in the interval dismissed, and no further harm could happen to him from telling the truth. When the schedule of tenders for freights was under discussion in London, Mr. Hamilton, according to his evidence, being in his office, Mr. Ashwell brought the tenders to him from the Agent-General's office, and asked him to deal with them. Mr. Hamilton made some observation, and these questions were asked by Mr. Griffith, and answers given:—

"What did he say to that? He said he would refer to the Agent-General and let him decide about it.

"Did you say anything else to him then? He went to the Agent-General. There was nothing said. I do not remember anything further of that particular conversation; but he came afterwards to me.

"When?—the same day? Half-an-hour afterwards—very shortly afterwards—with the tenders in his hand.

and he said, 'You had better write 'accepted' across the middle of McIlwraith, McEacharn, and Co.'s. The Agent-General says they are to have the contract.' I said, 'Not me.' I said, 'I am sure there will be a noise about it; and I think that, considering your position, to ask me to do a thing like that is very wrong of you.'

"What did he say? He said, 'You had better do it.' I said, 'No; I would rather take legal advice as to what my position is, than go into that transaction.' I also said to him that it was very wrong of him, considering his connection with the ships, his connection with McIlwraith, McEacharn, and Company, his position with the Haslam Company; it was excessively wrong of him to force such a position on me."

This conversation, according to Mr. Hamilton's evidence, took place early in February, and he was well acquainted then with the fact that Mr. Ashwell was a member of the Haslam company, yet he said in the following April that he never knew it until ten days before, being well aware that if he had told the truth his dismissal would follow. Here was another specimen of what the truthful witness would do. He (Mr. Macrossan) would say, once for all, that Mr. Hamilton's evidence was given to suit the circumstances of the case. He altered, he varied, he prevaricated to suit altered circumstances all through his evidence in the London office and in Brisbane, and the man or men who depended upon such a witness for substantiating any charge, even against a dog, were not the honest men they ought to be. He would also call attention to this other fact in connection with the statement on page twenty-two in the London inquiry;—Mr. Ashwell was under examination about the freights and tenders, and he gave a plain statement of the whole question. Mr. Hamilton being then and there present, was asked by Mr. McIlwraith if he had any question to ask Mr. Ashwell, but he cautiously remained silent; not a single syllable upbraiding Mr. Ashwell did he utter, because he knew perfectly well that Mr. Ashwell could contradict him. What this truthful witness did was to reserve for the committee in Brisbane, when Mr. Ashwell was sixteen thousand miles away, what he dared not say at the London inquiry. He would now let them see what was the character of that witness. He would take him in his own words, and at his own valuation. In cross-examination by himself he found out that Mr. Hamilton was appointed secretary to the Agent-General by Mr. Macalister—by the gentleman whom he had been trying to damage for life. Mr. Macalister sent him to London in 1874, from Cooktown, where he had been police magistrate—an appointment also given to him by Mr. Macalister. He did not know Mr. Macalister's motive for sending him to London, but he could say that from the day that Mr. Hamilton landed in London, until the day that Mr. Daintree left the office, Mr. Hamilton played the spy upon him, and without Mr. Daintree's knowledge wrote letters about him, and sent telegrams to Mr. Macalister, who was then Colonial Secretary. Mr. Hamilton was bound to admit in the investigation that followed that if he had placed the contents of those letters and telegrams before Mr. Daintree that gentleman would have taken action, and would have done what was best for the business in the London office. But he did not give Mr. Daintree the opportunity; he sent the information privately to Mr. Macalister, and upon that the inquiry was held which resulted ultimately in Mr. Daintree leaving the London office.

Mr. GRIFFITH: Mr. Daintree said Mr. Hamilton did quite right in sending the letter and telegram.

The COLONIAL SECRETARY: Mr. Daintree said nothing of the sort. I have letters from Mr. Daintree in my possession in which he calls him a liar and a spy.

The MINISTER FOR WORKS said that in his examination of Mr. Hamilton appeared the following—

"In your examination by Mr. Macalister, in regard to this letter and its contents—they speak as to certain frauds that were being perpetrated on the Government at the time—Mr. Macalister asks:—

"18. You did not forward that communication from any feeling against Mr. Daintree?"

and your answer is:—
"Not the slightest. The only feeling I had for Mr. Daintree was that he reposed too much confidence in Mr. Allen, and I did not feel myself able to shake it off."

Mr. Daintree then examined you, and he said:—
"You said just now the letter was not addressed; it might have been either private or official?"

Your answer is:—
"Yes; I wrote the letter to Mr. Macalister, stating that I was beginning to get seriously alarmed as to the state of things, and he was to use it just as he pleased."

"Was that telegram official? Well, it was intended very much on the same principle. He might use it just as he wished. The telegram contained the words, 'Letter posted.' My object was that he should wait for the receipt of the letter before he acted on it."

"Was the telegram paid for by the office or yourself? It was paid for out of my own funds."

"Then it was to all intents and purposes a private telegram? Yes."

Then, Mr. Daintree questioned you further on:—

"Did I, within your recollection, when you first came to this office, say that I was ready at any time to carry out any suggestions or alterations, that, when you had experience of the office you might draw under my notice as desirable? Yes."

Again:—
"As a rule, did I not pay the utmost attention to any definite suggestions of yours on any matter? Yes; I think universally I may say you attended to every definite suggestion I made."

Again:—
"Did you not think that, had your letter been laid before me before sending, I should have taken the promptest measures to remedy everything that admitted of remedy in the statements made therein? If I could have satisfied you as to the correctness of my statements, I believe you would."

"Did you not think, at all events, that immediate investigation would have followed the reading of your letter? I think probably so."

"Did you think I would wish to shield anyone who was not acting in the interests of the Queensland Government in any way, as far as I knew? I do not think you would."

In spite of those admissions Mr. Hamilton wrote and telegraphed behind Mr. Daintree's back, giving information to the then Colonial Secretary. On being questioned further on as to the frauds which he said in his evidence had been committed, but which he (Mr. Macrossan) declined to believe on the evidence of such a man, when he asked him why he stood quietly by when he saw his employers the Queensland Government defrauded, his answer was that the matter was so unimportant. Such conduct in a witness holding the position that Mr. Hamilton held, and then coming here to make charges—false charges—against the Premier was despicable, and was as bad if not worse in those who had used him as a tool. In answer to him, Mr. Hamilton admitted that he ought to have informed the Colonial Secretary. But the Colonial Secretary, when the frauds if true commenced, was the hon. member (Mr. Douglas), so that he had no excuse for thinking that the frauds would not have been inquired into because the politics of the Government did not agree with his. But that immaculate witness sat quietly by, and saw the Queensland Government defrauded of hundreds and probably thousands of pounds—and all, as he had said, for peace and quietness. It was a most lamentable thing that hon. gentlemen should be deluded by the evidence of a witness like that—a man whose career throughout, as far as it was known in connection with the London office, had been untrustworthy. The whole of his evidence was unreliable, and yet hon. members placed, or professed to place, confidence in him out of party spirit. If any

fraud had been committed in the London office before the departure of the "Ellen Goodspeed" to January of last year, it had been committed while the late Government was in power. Mr. Hamilton stated that McIlwraith, McEacharn and Co. received special favours—that tenders which could have been let at 22s. to Taylor, Bethell, and Roberts, had been let to that firm for 24s. The explanation was that it was a commercial transaction. Taylor, Bethell, and Roberts offered, verbally, to carry freight for 22s. Mr. McEacharn and Mr. Taylor met in London, and Mr. Taylor said he did not intend to carry out his offer. He withdrew it, and Mr. McEacharn offered to carry for 24s. Another case of supposed fraud put forward by Mr. Hamilton was that Thomas Law and Company agreed to carry rails from Glasgow at 34s., and that two or three days afterwards Mr. Macalister let the rails of the same indent to McIlwraith, McEacharn, and Company for 38s. 6d. On inquiry into the truth of that, what did it amount to? The portion of the rails let were from the Steel Company of Scotland, and were for the Central Railway. Those were the goods which he mentioned before, when he said they were short of rails through Mr. Hamilton's berth-ship system. In October 1878, the engineer for the Central railway complained to the Commissioner of Railways that if he did not get the rails faster he would be obliged to stop his men, as he had only a supply for six miles on hand. He urged the Government to send rails faster, and also to make sure of having a larger supply on hand. An indent of 2,000 tons was ordered. That was the one he had spoken of as having been contracted for without tender by hon. gentlemen opposite. The "Glencoe" was chartered by Thomas Law and Company to carry out the rails, but instead of carrying out their contract quickly and sending out the rails as they were wanted, they delayed for three or four months, and then the Agent-General let another contract to McIlwraith, McEacharn, and Co. to bring out the rails quickly at an advance of 3s. 6d. a-ton. That was the supposed fraud which Mr. Hamilton tried to make out had been perpetrated by Mr. Macalister in the interests of McIlwraith, McEacharn and Co. It all came to this, that Mr. Hamilton was again untruthful, for he (Mr. Macrossan) had proved by documentary evidence that those rails were wanted and quick despatch was required. Mr. Hamilton, on the other hand, denied that there was any necessity for the rails going out quickly, and said there were only two or three days between the letting of the tenders, when there were, in fact, between three and four months. Almost every statement of the witness was more or less unreliable and untruthful, and unless they had other evidence to prove what he said it would be unwise to condemn even a dog upon it. He had now dealt with the question of the price of rails, and had been, he believed, successful in showing that the average price paid by the Government of which the hon. gentleman was a member was far higher than that paid by the present Government. In referring to the average rate of freight, he would point out that Mr. Hamilton never once made a complaint in London about the alteration from full cargo-ships to berth-ships; he reserved that until he came to Queensland, where his statement could not be disproved at once. Had he made the statement in London, it could have been proved whether the alteration was a concession or not. At the inquiry, which took place in London, Mr. Clay, the indenting clerk, was examined by Mr. McIlwraith, and gave evidence as follows:—

"By Mr. McIlwraith: Mr. Clay, you are. I believe, indenting clerk in this office?"

"Mr. Clay: Indent clerk, I think I am called, generally."

"Mr. McIlwraith: Will you be kind enough to prepare for me a statement showing the name of each ship carrying rails from any English port to any Queensland port from the year 1875 inclusive, showing the tonnage, the rate paid per ton, and the average rate paid per ton per annum, to all the ports individually and collectively, and the average rate paid for the whole four years for all the ports individually and collectively?"

"Mr. Clay: Yes, Sir."

The details supplied by Mr. Clay were in the hands of the Government, and the following general average appeared in one of the exhibits attached to the report:—

"Tonnage and rates paid for freight of rails from British ports to Brisbane, Rockhampton, and Townsville from 1875 to 1879 inclusive:—From London, Glasgow, and Liverpool to Brisbane, 15,758 tons, £21,554—average rate, £1 7s. 5d.; from London, Glasgow, Leith, Liverpool and Swansea to Rockhampton, 8,642 tons, £16,861—average rate, £1 19s. 0d.; Liverpool and London to Townsville, 1,943 tons, £4,008—average rate, £2 1s. 3d.

He would ask any hon. member to compare that with the rate of 38s. 6d. to all ports, and say which was the highest. Then again the hon. gentleman in dealing with the matter of berth-ships spoke as though a concession had been made in the interest of Messrs. McIlwraith, McEacharn, and Co., but the fact was that the concession had been made in the interest of the ship-brokers of London who wanted dead-weight. The House had the evidence of the Hon. Mr. Hart, M.L.C., that the rates paid by berth ships left scarcely any profit, and in the case of some ships none at all. With regard to the question raised by the hon. gentleman about the Colonial Secretary and the Premier being shareholders in certain ships engaged in carrying out contracts for the Government, he had a few words to say, although he had deprecated the introducing of a question which was *sub judice*. The hon. gentleman stated that the paragraph in the report which asserted that the allegation of the Premier and the Colonial Secretary being Government contractors was not sustained, was incorrect. He (Mr. Macrossan) maintained that it was correct as far as the committee had obtained evidence in connection with that matter. The evidence placed before the committee went to show that though Mr. McIlwraith and Mr. Palmer were shareholders, they neither participated directly nor indirectly in the profits nor shared in the losses. He therefore maintained that the committee was thoroughly justified in coming to the conclusion they had come to, on the evidence placed before them. What were the facts? Did the hon. member for North Brisbane pretend to say that it was only now that he had found that fact out? Would the hon. member for Enoggera say that it was only now he was beginning to find that out? Would the hon. member for Northern Downs pretend that he had not known for years that the Premier was a shareholder? And knowing that, would they deny that they themselves let the first contract to McIlwraith, McEacharn, and Company?

Mr. GRIFFITH: I did not know anything about it.

The MINISTER FOR WORKS said he would advise the hon. gentleman not to be too rash in his statements, because the inquiry would not rest here. The evidence of Mr. Hemmant and Mr. Macalister would have to be obtained, and they would prove whether those gentlemen knew of it years ago. He (Mr. Macrossan) asserted that they knew Mr. McIlwraith was a shareholder, and knowing it, they, in 1876, let a contract to the firm, and in 1878 another; and that the only contracts let to McIlwraith, McEacharn, and Co. were let by gentlemen opposite. The first thing the present Government did on coming into office was to suspend for the time being the contract for the conveyance of immigrants, which had been let

to McIlwraith, McEacharn, and Co., and that should be evidence enough to honest men that that the Government were not concerned about any interest of Mr. McIlwraith (the Premier), or Messrs. McIlwraith, McEacharn, and Co. It would be proved in evidence that those hon. members knew it, and that it was not until an opportunity occurred for making damaging charges against the Premier, the Colonial Secretary, and the Ministry, and rousing the people of the colony with regard to frauds said to have been perpetrated, that they brought up these charges in order to help others forward. Documentary evidence would be brought forward to prove that.

Mr. GRIFFITH: It cannot be proved except by false testimony, because it is not true.

The MINISTER FOR WORKS said he had now dealt with nearly all the questions relating to the report, and he would say a few words with regard to the protest. It began by stating—

"We do not entirely concur in this Report, which in our opinion fails to deal in an adequate manner with the grave matters referred to the Committee, and seems to us to be in some important particulars inaccurate."

He had, he believed, traversed that belief, and shown that the statements in the report were strictly accurate and according to the evidence. The second paragraph said—

"We dissent from the definite statements in paragraph 7 of the Report respecting the contracts made by Mr. Andrew McIlwraith. The precise nature of these contracts, which Mr. McEacharn described from his recollection of letters from his partner, which were not produced to the Committee, is not in our opinion established by satisfactory evidence."

Nothing in the evidence had been shown more clearly than that paragraph 7 was correct. Both documentary and verbal evidence had been adduced to show that Mr. Andrew McIlwraith had made a contract for 30,000 tons of rails. The next paragraph was—

"We also dissent from the conclusions imputing blame to Mr. Hamilton, being of opinion that the facts are not yet sufficiently investigated to allow of any definite conclusion on that point."

There were facts enough disclosed in the evidence to satisfy any honest man that Mr. Hamilton was untruthful and unprincipled. The protest continued—

"We also dissent from the conclusion that the allegation that the Premier and Colonial Secretary are Government contractors has not been proved."

In the belief of himself and other members of the committee those allegations had not been proved. The other portion of the protest commenced—

"We also consider it our duty to lay before the House the following statement of facts, established by uncontradicted evidence (reference to which is in each instance given in the margin), and of conclusions which we draw from them."

Would the hon. gentleman say that all the statements of the facts which followed were established upon uncontradicted evidence?

Mr. GRIFFITH: Point out one that is not.

The MINISTER FOR WORKS said that at the end of paragraph 7 this passage occurred—

"Whatever explanation may ultimately be given of this part of the transaction, it is quite clear that, but for the hands of the Government being tied in this manner, the operations at their expense which we have to describe could not have been effected."

He had very carefully dealt with that point, and shown that the whole of the operations could have been effected, and would have been effected whether the hands of the Government had been tied or not. That had nothing to do with it. One of the operations was stated in paragraph 8, where it was stated that the Premier met his

brother in Cork harbour, and it was brought as a serious charge against the Premier that he was on terms of intimacy with his brother. He (Mr. Macrossan) did not know whether the hon. gentleman was on terms of intimacy with his brothers, if he had any, but certainly no one would impute blame to the hon. gentleman if he was. The next statement in the protest must have been very incautiously put in by the hon. gentleman. The whole of the imputation underlying the statement made by the hon. gentleman was that the Premier or some others had, in some unexplained way, permitted a gentleman related to the Premier by blood or marriage to make certain profits out of certain transactions in rails. On the hon. member's own showing the imputation underlying the statement was entirely disproved. When Mr. McIlwraith met his brother on his way from Cork to Liverpool, Mr. Andrew McIlwraith said—and the statement was quoted by the hon. member—that his firm had done a good thing in rails; therefore whatever was done in rails, whether good or bad, must have been done before the Premier arrived in England.

Mr. GRIFFITH: No.

The MINISTER FOR WORKS: Yes.

Mr. GRIFFITH: It was afterwards.

The COLONIAL SECRETARY: No.

The MINISTER FOR WORKS said that Mr. Andrew McIlwraith did not say that he expected to do a good thing in rails; he said "we have done a good thing." The thing was completed, and the profits made—no matter by whom or how, the Premier was unconcerned. He had dealt with paragraph 12 in stating that speculators should be allowed to tender for rails. In this particular case even if the Haslam Company contracted with the Barrow Company they were in possession of their own ores—the ores were theirs as much as if they had them in their own yards.

Mr. GRIFFITH: No.

The MINISTER FOR WORKS said that they had contracted for them, and in any court of justice the Barrow Company could be compelled to make rails from those ores as they had contracted to do. Then the hon. member said the Haslam Company ought not to have been allowed to tender. Whoever heard such an absurd statement? No one could be reasonably prevented from tendering; the Agent-General who would dare to prevent any man tendering would be worthy of dismissal. Mr. Hemmant claimed it as his right to be allowed to tender for goods in his trade. Every man claimed the same right. He had proved, in contradiction of the statement contained in paragraph 21, that the Haslam Company were able to supply the rails cheaper than manufacturers could, simply on account of the foresight they displayed in purchasing ores when the market was low. Speculators would always be able to supply at a cheaper rate than manufacturers, unless the manufacturers displayed the same foresight in purchasing ores in a cheap market. He had also proved that the statement contained in paragraph 22, that the price paid was above the average, was not correct. The price paid was below the average paid by the Government of which the hon. member was a member during their four years of office. The whole of the statements made by the hon. member with regard to the rails had been disproved; and yet the hon. gentleman said that he had put before the House a statement of facts established by uncontradicted evidence.

Mr. GRIFFITH: Show where they are wrong.

The MINISTER FOR WORKS said he had done so already. As to the tenders for freights,

Messrs. McIlwraith, McEacharn and Co.'s tender was the lowest. That could not be disputed.

Mr. GRIFFITH: Theirs was not the lowest.

The MINISTER FOR WORKS said the question as to whether there was a ring was one for further inquiry. His opinion was that there was one; and he believed there were rings in existence when the hon. gentleman was in office. He believed also that there were rings in every shipping port in Great Britain and in the colonies. They could not prevent that. Even in tendering in Brisbane he knew there were rings—he had heard of rings in connection with tenders for railways. In clause 31 of the protest it was said—

"It will be observed that the tenders varied very slightly, McIlwraith, McEacharn, and Company's being the lowest by £225. Messrs. Thomas Law and Company's tender for the carriage of rails to Brisbane, with that of Messrs. Taylor, Bethell, and Roberts for the Northern ports, amounted together to a slightly smaller total. Mr. Hamilton says he pointed out this fact to Mr. Ashwell at the time."

He would take the statement—that the tenders of Law and Co., and of Taylor, Bethell and Roberts, put together, were lower than that of McIlwraith, McEacharn and Co. Altogether, he believed the difference was £8 6s. 8d. only. What did that prove? It proved that one tender was lower for one port of discharge, and the other lower for another port. But did it follow that if either of the two tenders had been accepted, that the tenderer would have taken the contract on the lowest portion of this tender? That did not follow at all. In tendering a man tendered as a whole. In tendering for a railway, for instance, one man tendered low on earthworks, and made up what he thought he ought to get on something else. Another man would tender low for brickwork and make up his money on earthworks. Did it follow that each of these two men should get the particular piece of work for which he tendered the lowest tender? No; the contract had to be taken as a whole, and as a whole the tender of Messrs. McIlwraith, McEacharn and Co. was taken. The Agent-General could not have taken any other tender—allowing always Mr. Hamilton's statement that he sent in another schedule of Law and Co.'s alternative tender, reducing their former tender by between £2,000 and £3,000 to be incorrect. In that particular case the Agent-General would be able to explain; he would have to say whether or not he saw the schedule, and, if he did, give his reason for not accepting the tender. The statement in clause 31 was utterly absurd. In clause 33 it was said—

"This price is largely in excess of the average freights previously paid by the Queensland Government."

He said that it was not. The statements in the report on the same point were fully borne out, he maintained. The price was not excessive when they took it into account that the tender was made for full-cargo ships. In clause 36 he noticed the following statement:—

"In two instances, which were specially brought under our notice, the 'Rothesay Bay' and the 'Tiverton,' it appears that they chartered the ships to carry full cargoes of rails to Brisbane at 30s., and a sum equal to about 35s. 3d. a-ton, respectively; the difference between those amounts and 38s. 6d. being retained by the contractors."

Did the hon. member believe that? Was it in accordance with the evidence? Had it not been proven that the difference between the prices had been paid away on lighterage and wharfage?

Mr. GRIFFITH: No.

The COLONIAL SECRETARY: Yes.

The MINISTER FOR WORKS: I say it is borne out in evidence. Mr. Hart, the agent, distinctly says so.

Mr. GRIFFITH: The price for the "Tiverton" includes everything.

The MINISTER FOR WORKS: It does not.

Mr. GRIFFITH: Make the calculation and see.

The MINISTER FOR WORKS said that he asked Mr. Hart—Question 2359—

"Are you the agent for the 'Tiverton'? Yes.

"What cargo did she bring here? 1,600 tons of steel rails.

"Can you tell us the rate at which the rails were carried? The vessel was chartered at a lump sum, £2,575; and that worked out, I think you will find gives a little more than 32s. a ton.

"Had the shippers to pay any other charges besides that 32s. a ton? The charterers had; not the owner. The charterers had to pay the expense of lightening 600 tons up from the Bay, and that comes to 5s. 6d. a ton; and they had also to pay 1s. a ton wharfage upon the whole cargo.

"Would that be a profitable transaction to the charterers, who received 38s. 6d. a ton? If it was an individual case, it would be a very poor transaction. It would not be a loss exactly.

"We have it in evidence given by Mr. McEacharn that the throwing of 15,000 tons of freight, deadweight, into the hands of one firm is better for shippers generally, for the mercantile community, than to have that amount of freight in the open market, or divided amongst several persons. He says—

"It is rather an advantage that one firm should have the carrying of the whole quantity. They could regulate the market; whereas, if you have three or four firms holding rails, each will be anxious to get ships, and they will run one another for ships."

"Will you state your opinion upon that question? I think, in regard to the question about this quantity of rails, it was a wiser thing for the Agent-General to let it out to one firm than to go into the open market; because, if it had been known in the open market that there was such a large quantity of rails to come here, you would have found the brokers would have put up the freights. Whereas, by the course the Agent-General adopted, the Government were not exposed to that, but the successful tenderer was;—in fact, I believe that when it was known that McIlwraith, McEacharn, and Co. had got the contract, the price for ships open for charter was raised upon them."

He thought he had now delayed the House long enough. He had traversed most of the statements of facts of the hon. gentleman opposite. He had referred to the evidence as printed, which showed that Mr. McIlwraith entered into a contract for 15,000 tons of rails, not as an agent, but under the impression that his partner in this colony had a contract with the Government in connection with Mr. Thomassen. That these rails were sold, the greatest part of them by December. They had it from the evidence of the Premier, that on his arrival in Liverpool he was met by his brother, who said to him, "I have done a good thing in rails." He (Mr. Macrossan) had shown that the rails were not purchased at above the average price, although below the price paid by hon. members opposite when in office. In regard to freights, he had also shown that everything was done by the Agent-General as it should have been done, and who, so far as came under his knowledge, acted properly and took the lowest tender. The concession of the berth-ships had, he thought, been incontestably shown to have been given by Mr. Hamilton himself—that was proved by telegram and by letters. Mr. Hamilton had been proved out of his own mouth, to be unworthy of belief, and, by his own contradictions and those of others, to be untrustworthy and unreliable. It was not fair for the hon. gentlemen opposite to have relied on Mr. Hamilton as a tool to carry out their malignant intentions as far as the Premier was concerned. They evidently thought at the commencement of the session that they would be able to drive the Premier out of public life altogether. Had it not been so, they would then have done what they confessed themselves now ready to do; and

would have called for evidence, and on that evidence alone would have arrived at a conclusion. Had the Premier then been found guilty, hon. members on the Government side would have joined the Opposition in doing what they (the Opposition) thought they would have been able to do on the first day of the session. He was confident that when this investigation was carried out to the fullest extent every statement made by the Premier, and on his behalf, would be proved to be literally true. He was certain that the Government had taken the right course in not sending home a Royal commission in July last, as the leader of the Opposition wished them to do. He was certain they had adopted the right course in commencing the inquiry here, in getting all the evidence they could get here, and then completing the inquiry, if necessary, at home. It would have been a great mistake for them to have left such a matter in the hands of people at home who were unacquainted with the details of it, especially when the chief witnesses in the matter were here. They all knew that all these statements in Mr. Hemmant's petition were furnished by Mr. Hamilton after he was dismissed.

Mr. GRIFFITH: They are all true.

The MINISTER FOR WORKS said that supposing he made a statement and said that the member for North Brisbane was sitting in front of him, what did that mean? Was there any implication in that? Mr. Hemmant made a certain number of statements which the hon. member said were all true. Well, most of the statements were admitted by the Government at the commencement of the session. In fact, the only statements Mr. Hemmant made were in the first two paragraphs, and the rest were merely hearsay. He said that he had heard so-and-so; that Mr. Ashwell was Executive Engineer—that they never denied. And that the Barrow company supplied these rails—that they never denied. But what they did deny was the base insinuation underlying these statements, and the gross libels of the hon. gentleman himself. The Government did not deny the allegations in the petition, but only the base charges made by the hon. gentleman opposite which he had since repudiated. He (Mr. Macrossan) was certain now that the hon. gentleman had come to his senses and would not make the same charges again—in fact, he did not do so in his speech that evening. Had the hon. gentleman been as wise at the beginning of the session they would have passed a pleasant session, would have got through their work long before now, and have been at their homes; but it was the acrimony the hon. gentlemen showed at the commencement of the session which had caused so much ill-feeling and had blood—ill-feeling which he was afraid it would take many sessions to eradicate. The Government would be prepared, as he had already stated, at an early day, to place a substantive motion before the House, on which the House could act, and the Government would be prepared to send a gentleman to England, and also to have one appointed by the Colonial Office—whether there should be more would be a matter for the House to decide. The gentleman selected by the Government here would not be a member of the Government, as was supposed by the hon. member for North Brisbane, but someone quite independent of the Government, and a gentleman quite capable of making the inquiry and carrying it out to its bitter end. The further it was carried out the better he (Mr. Macrossan) believed it would be for the Government and for the country.

Mr. DOUGLAS moved the adjournment of the debate.

The PREMIER said he was quite sure the debate could not be finished to-night. The delivery of two speeches had occupied the whole of the sitting, and he supposed the hon. gentleman who had moved the adjournment of the debate would be quite ready to take up half the next night. He had no objection to the adjournment till to-morrow, on the understanding that the debate took precedence, and that they should endeavour to finish to-morrow.

Question—That the debate be adjourned—put and passed.

Question—That the resumption of the debate stand an Order of the Day for to-morrow, and that it take precedence over all other business for that day—put and passed.

Mr. GRIFFITH was understood to say that he hoped private business would not be lost sight of altogether.

The PREMIER, in moving the adjournment of the House, said he had given notice that to-morrow he should move a resolution by which the Friday sitting might be extended, and he should do so with a view of giving facilities for the transaction of private business after the important Government business was disposed of. He could not state what time they would give for private business, but as soon as the important Government business was disposed of private business would be taken.

Mr. GRIFFITH: I hope the reference made to the motion the Premier intends to move to-morrow does not mean that we shall sit on from half-past 10 on Friday morning to 10 o'clock on Friday night. On previous occasions we have sat on till tea-time, and then adjourned.

The COLONIAL SECRETARY: We'll see how we get on with the business.

Mr. GRIFFITH: I suggest we meet at the usual hour for the morning sitting, and then meet at half-past three in the ordinary manner.

The PREMIER: Although we have sat more days in the week this session, we have not sat so long, and to ask the House to sit morning and evening on Friday is not asking too much under the circumstances. What is more, I believe it is consistent with the wish of the majority of hon. members that we should do so, as the greater part of the business is only formal.

Question put and passed, and the House adjourned at three minutes to 11 o'clock.